PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 321

HOUSE OF COMMONS

OFFICIAL REPORT

SECOND SESSION OF THE FIFTY-SECOND PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FORTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 1998–99

COMPRISING PERIOD
24 November—3 December 1998

Chronology of "The Parliamentary Debates"

The Parliamentary History contains all that can be collected of the Legislative History of this country from the Conquest to the close of the XVIIIth Century (1803), 36 vols. The chief sources whence these Debates are derived are the Constitutional History, 24 vols.; Sir Simonds D'Ewes' Journal; Debates of the Commons in 1620 and 1621; Chandler and Timberland's Debates, 22 vols.; Grey's Debates of the Commons, from 1667 to 1694, 10 vols.; Almons Debates, 24 vols.; Debrett's Debates, 63 vols.; The Hardwicke Papers; Debates in Parliament by Dr. Johnson, &c. &c.

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Abbott, Diane Julie (Hackney, North and Stoke Newington)
Adams, Gerard (Belfast, West)
Adams, Mrs. Katherine (Paisley, North)
Ainger, Nicholas Richard (Carmarthen, West and South Pembrokeshire)
Ainsworth, Peter Michael (East Surrey)
Ainsworth, Robert William (Coventry, North East)
Alexander, Douglas Garven (Paisley, South) [*By-election, November 1997*]
Allan, Richard Beecroft (Sheffield, Hallam)
Allen, Graham William (Nottingham, North)
Amess, David Anthony Andrew (Southend, West)
Ancram, Rt. Hon. Michael (Devizes)
Anderson, Donald (Swansea, East)
Anderson, Mrs. Janet (Rossendale and Darwen)
Arbuthnot, Rt. Hon. James Norwich (North East Hampshire)
Armstrong, Hilary Jane (North West Durham)
Ashdown, Rt. Hon. Jeremy John Durham (Yeovil)
Ashton, Joseph William (Bassetlaw)
Atherton, Candice Kathleen (Falmouth and Camborne)
Atkins, Charlotte (Staffordshire, Moorlands)
Atkinson, David Anthony (Bournemouth, East)
Atkinson, Peter Landreth (Hexham)
Austin-Walker, John Eric (Erith and Thamesmead)

B

Baker, Norman John (Lewes)
Baldry, Anthony Brian (Banbury)
Ballard, Mrs. Jacqueline Margaret (Taunton)
Banks, Anthony Louis (West Ham)
Barnes, Harold (North East Derbyshire)
Barron, Kevin John (Rother Valley)
Battle, John Dominic (Leeds, West)
Bayley, Hugh (City of York)
Beard, Christopher Nigel (Bexleyheath and Crayford)
Beckett, Rt. Hon. Margaret Mary (Derby, South)
Begg, Anne (Aberdeen, South)
Beggs, Roy (East Antrim)
Beith, Rt. Hon. Alan James (Berwick-upon-Tweed)
Bell, Martin (Tatton)
Bell, Stuart (Middlesbrough)
Benn, Rt. Hon. Anthony Neil Wedgwood (Chesterfield)
Bennett, Andrew Francis (Denton and Reddish)
Benton, Joseph Edward (Bootle)
Bercow, John Simon (Buckingham)
Beresford, Sir Alexander Paul (Mole Valley)
Bermingham, Gerald Edward (St. Helens, South)
Berry, Roger Leslie (Kingswood)
Best, Harold (Leeds, North West)
Betts, Clive James Charles (Sheffield, Attercliffe)
Blackman, Elizabeth Marion (Erewash)
Blair, Rt. Hon. Anthony Charles Lynton (Sedgefield)
Blears, Hazel Anne (Salford)
Blizzard, Robert John (Waveney)
Blunkett, David (Sheffield, Brightside)
Blunt, Crispin Jeremy Rupert (Reigate)
Boateng, Paul Yaw (Brent, South)
Body, Sir Richard Bernard Frank Stewart (Boston and Skegness)
Boothroyd, Rt. Hon. Betty (West Bromwich, West)
Borrow, David Stanley (South Ribble)
Boswell, Timothy Eric (Daventry)
Bottomley, Peter James (Worthing, West)
Bottomley, Rt. Hon. Mrs. Virginia Hilda Brunette Maxwell (South West Surrey)
Bradley, Keith John Charles (Manchester, Withington)
Bradley, Peter Charles Stephen (The Wrekin)
Bradshaw, Benjamin Peter James (Exeter)
Brady, Graham (Altrincham and Sale, West)
Brake, Thomas Anthony (Carshalton and Wallington)
Brand, Dr. Peter (Isle of Wight)
Brazier, Julian William Hendy TD (Canterbury)
Breed, Colin Edward (South East Cornwall)
Brinton, Helen Rosemary (Peterborough)
Brooke, Rt. Hon. Peter Leonard CH (Cities of London and Westminster)
Brown, Rt. Hon. James Gordon (Dunfermline, East)
Brown, Nicholas Hugh (Newcastle upon Tyne, East and Wallsend)
Brown, Russell Leslie (Dumfries)
Browne, Desmond (Kilmarnock and Loudoun)
Browning, Mrs. Angela Frances (Tiverton and Honiton)
Bruce, Ian Cameron (South Dorset)
Bruce, Malcolm Gray (Gordon)
Buck, Karen Patricia (Regent's Park and Kensington, North)
Burden, Richard Haines (Birmingham, Northfield)
Burgon, Colin (Elmet)
Burnett, John Patrick Aubone (Torridge and West Devon)
Burns, Simon Hugh McGuigan (West Chelmsford)
Burstow, Paul Kenneth (Sutton and Cheam)
Butler, Christine Margaret (Castle Point)
Butterfill, John Valentine (Bournemouth, West)
Byers, Rt. Hon. Stephen John (North Tyneside)

C

Cable, Dr. John Vincent (Twickenham)
Caborn, Richard George (Sheffield, Central)
Campbell, Alan (Tynemouth)
Campbell, Anne (Cambridge)
Campbell, Ronald (Blyth Valley)
Campbell, Menzies CBE, QC (North East Fife)
Campbell-Savours, Dale Norman (Workington)
Canavan, Dennis Andrew (Falkirk, West)
Cann, James Charles (Ipswich)
Caplin, Ivor Keith (Hove)
Casale, Roger Mark (Wimbledon)
Cash, William Nigel Paul (Stone)
Caton, Martin Philip (Gower)
Cawsey, Ian Arthur (Brigg and Goole)

Chapman, James Keith (Wirral, South)
Chapman, Sir Sydney Brookes (Chipping Barnet)
Chaytor, David Michael (Bury, North)
Chidgey, David William George (Eastleigh)
Chisholm, Malcolm George Richardson (Edinburgh, North and Leith)
Chope, Christopher Robert (Christchurch)
Church, Judith Ann (Dagenham)
Clapham, Michael (Barnsley, West and Penistone)
Clappison, William James (Hertsmere)
Clark, Rt. Hon. Alan Kenneth McKenzie (Kensington and Chelsea)
Clark, David George (South Shields)
Clark, Lynda Margaret QC (Edinburgh, Pentlands)
Clark, Dr. Michael (Rayleigh)
Clark, Paul Gordon (Gillingham)
Clarke, Anthony Richard (Northampton, South)
Clarke, Charles Rodway (Norwich, South)
Clarke, Eric Lionel (Midlothian)
Clarke, Rt. Hon. Kenneth Harry QC (Rushcliffe)
Clarke, Thomas CBE (Coatbridge and Chryston)
Clelland, David Gordon (Tyne Bridge)
Clifton-Brown, Geoffrey Robert (Cotswold)
Clwyd, Ann (Cynon Valley)
Coaker, Vernon Rodney (Gedling)
Coffey, Ann (Stockport)
Cohen, Harry Michael (Leyton and Wanstead)
Coleman, Iain (Hammersmith and Fulham)
Collins, Timothy William George (Westmorland and Lonsdale)
Colman, Anthony (Putney)
Colvin, Michael Keith Beale (Romsey)
Connarty, Michael (Falkirk, East)
Cook, Francis (Stockton, North)
Cook, Rt. Hon. Robert Finlayson (Livingston)
Cooper, Yvette (Pontefract and Castleford)
Corbett, Robin (Birmingham, Erdington)
Corbyn, Jeremy Bernard (Islington, North)
Cormack, Sir Patrick Thomas (South Staffordshire)
Corston, Jean Ann (Bristol, East)
Cotter, Brian Joseph (Weston-super-Mare)
Cousins, James Mackay (Newcastle upon Tyne, Central)
Cox, Thomas Michael (Tooting)
Cran, James Douglas (Beverley and Holderness)
Cranston, Ross Frederick QC (Dudley, North)
Crausby, David Anthony (Bolton, North East)
Cryer, Mrs. Constance Ann (Keighley)
Cryer, John Robert (Hornchurch)
Cummings, John Scott (Easington)
Cunliffe, Lawrence Francis (Leigh)
Cunningham, James Dolan (Coventry, South)
Cunningham, Rt. Hon. John Anderson (Copeland)
Cunningham, Roseanna (Perth)
Curry, Rt. Hon. David Maurice (Skipton and Ripon)
Curtis-Tansley, Claire (Crosby)

D

Dafis, Cynog Glyndwr (Ceredigion)
Dalyell, Tam (Linlithgow)
Darling, Alistair Maclean (Edinburgh, Central)
Darvill, Keith Ernest (Upminster)
Davey, Edward Jonathon (Kingston and Surbiton)
Davey, Valerie (Bristol, West)
Davidson, Ian Graham (Glasgow, Pollok)
Davies, Rt. Hon. David John Denzil (Llanelli)
Davies, Geraint Richard (Croydon, Central)
Davies, John Quentin (Grantham and Stamford)
Davies, Ronald (Caerphilly)
Davis, Rt. Hon. David Michael (Haltemprice and Howden)
Davis, Terence Anthony Gordon (Birmingham, Hodge Hill)
Dawson, Thomas Hilton (Lancaster and Wyre)
Day, Stephen Richard (Cheadle)
Dean, Janet Elizabeth Ann (Burton)
Denham, John Yorke (Southampton, Itchen)
Dewar, Rt. Hon. Donald Campbell (Glasgow, Anniesland)
Dismore, Andrew Hartley (Hendon)
Dobbin, James (Heywood and Middleton)
Dobson, Frank Gordon (Holborn and St. Pancras)
Donaldson, Jeffrey Mark (Lagan Valley)
Donohoe, Brian Harold (Cunninghame, South)
Doran, Frank (Aberdeen, Central)
Dorrell, Rt. Hon. Stephen James (Charnwood)
Dowd, James Patrick (Lewisham, West)
Drew, David Elliott (Stroud)
Drown, Julia Kate (South Swindon)
Duncan, Alan James Carter (Rutland and Melton)
Duncan Smith, George Iain (Chingford and Woodford Green)
Dunwoody, Mrs. Gwyneth Patricia (Crewe and Nantwich)

E

Eagle, Angela (Wallasey)
Eagle, Maria (Liverpool, Garston)
Edwards, Huw William Edmund (Monmouth)
Efford, Clive Stanley (Eltham)
Ellman, Louise Joyce (Liverpool, Riverside)
Emery, Rt. Hon. Sir Peter Frank Hannibal (East Devon)
Ennis, Jeffrey (Barnsley, East and Mexborough)
Etherington, William (Sunderland, North)
Evans, Nigel Martin (Ribble Valley)
Ewing, Mrs. Margaret Anne (Moray)

F

Faber, David James Christian (Westbury)
Fabricant, Michael Louis David (Lichfield)
Fallon, Michael Cathel (Sevenoaks)
Fatchett, Rt. Hon. Derek John (Leeds, Central)
Fearn, Ronald Cyril (Southport)
Field, Rt. Hon. Frank (Birkenhead)
Fisher, Mark (Stoke-on-Trent, Central)
Fitzpatrick, James (Poplar and Canning Town)
Fitzsimons, Lorna (Rochdale)
Flight, Howard Emerson (Arundel and South Downs)
Flint, Caroline Louise (Don Valley)
Flynn, Paul Phillip (Newport, West)
Follett, Daphne Barbara (Stevenage)
Forsythe, Clifford (South Antrim)
Forth, Rt. Hon. Eric (Bromley and Chislehurst)
Foster, Rt. Hon. Derek (Bishop Auckland)
Foster, Donald Michael Ellison (Bath)
Foster, Michael Jabez (Hastings and Rye)
Foster, Michael John (Worcester)
Foulkes, George (Carrick, Cumnock and Doon Valley)
Fowler, Rt. Hon. Sir Peter Norman (Sutton Coldfield)

Fox, Dr. Liam (Woodspring)
Fraser, Christopher James (Mid Dorset and North Poole)
Fyfe, Mrs. Maria (Glasgow, Maryhill)

G

Galbraith, Samuel Laird (Strathkelvin and Bearsden)
Gale, Roger James (North Thanet)
Galloway, George (Glasgow, Kelvin)
Gapes, Michael John (Ilford, South)
Gardiner, Barry Strachan (Brent, North)
Garnier, Edward Henry (Harborough)
George, Andrew Henry (St. Ives)
George, Bruce Thomas (Walsall, South)
Gerrard, Neil Francis (Walthamstow)
Gibb, Nicolas John (Bognor Regis and Littlehampton)
Gibson, Dr. Ian (Norwich, North)
Gill, Christopher John Fred RD (Ludlow)
Gillan, Mrs. Cheryl Elise Kendall (Chesham and Amersham)
Gilroy, Mrs. Linda (Plymouth, Sutton)
Godman, Dr. Norman Anthony (Greenock and Inverclyde)
Godsiff, Roger Duncan (Birmingham, Sparkbrook and Small Heath)
Goggins, Paul Gerard (Wythenshawe and Sale, East)
Golding, Mrs. Llinos (Newcastle-under-Lyme)
Goodlad, Rt. Hon. Sir Alastair Robertson KCMG (Eddisbury)
Gordon, Mrs. Eileen (Romford)
Gorman, Mrs. Teresa Ellen (Billericay)
Gorrie, Donald Cameron Easterbrook (Edinburgh, West)
Graham, Thomas (West Renfrewshire)
Grant, Bernard Alexander Montgomery (Tottenham)
Gray, James Whiteside (North Wiltshire)
Green, Damian Howard (Ashford)
Greenway, John Robert (Ryedale)
Grieve, Dominic Charles Roberts (Beaconsfield)
Griffiths, Jane Patricia (Reading, East)
Griffiths, Nigel (Edinburgh, South)
Griffiths, Winston James (Bridgend)
Grocott, Bruce Joseph (Telford)
Grogan, John Timothy (Selby)
Gummer, Rt. Hon. John Selwyn (Suffolk, Coastal)
Gunnell, William John (Morley and Rothwell)

H

Hague, Rt. Hon. William Jefferson (Richmond, Yorks)
Hain, Peter Gerald (Neath)
Hall, Michael Thomas (Weaver Vale)
Hall, Patrick (Bedford)
Hamilton, Rt. Hon. Sir Archibald Gavin (Epsom and Ewell)
Hamilton, Fabian (Leeds, North East)
Hammond, Philip (Runnymede and Weybridge)
Hancock, Michael Thomas (Portsmouth, South)
Hanson, David George (Delyn)
Harman, Harriet Ruth (Camberwell and Peckham)
Harris, Dr. Evan (Oxford, West and Abingdon)
Harvey, Nicholas Barton (North Devon)
Haselhurst, Sir Alan Gordon Barraclough (Saffron Walden)
Hawkins, Nicholas John (Surrey Heath)
Hayes, John Henry (South Holland and The Deepings)
Heal, Mrs. Sylvia Lloyd (Halesowen and Rowley Regis)
Heald, Oliver (North East Hertfordshire)
Healey, John (Wentworth)
Heath, David William St. John (Somerton and Frome)
Heath, Rt. Hon. Sir Edward Richard George KG, MBE (Old Bexley and Sidcup)
Heathcoat-Amory, Rt. Hon. David Philip (Wells)
Henderson, Douglas John (Newcastle upon Tyne, North)
Henderson, Ivan John (Harwich)
Hepburn, Stephen (Jarrow)
Heppell, John (Nottingham, East)
Heseltine, Rt. Hon. Michael Ray Dibden CH (Henley)
Hesford, Stephen (Wirral, West)
Hewitt, Patricia Hope (Leicester, West)
Hill, Trevor Keith (Streatham)
Hinchliffe, David Martin (Wakefield)
Hodge, Mrs. Margaret Eve MBE (Barking)
Hoey, Catharine Letitia (Vauxhall)
Hogg, Rt. Hon. Douglas Martin QC (Sleaford and North Hykeham)
Home Robertson, John David (East Lothian)
Hood, James (Clydesdale)
Hoon, Geoffrey William (Ashfield)
Hope, Philip Ian (Corby)
Hopkins, Kelvin Peter (Luton, North)
Horam, John Rhodes (Orpington)
Howard, Rt. Hon. Michael QC (Folkestone and Hythe)
Howarth, Alan Thomas CBE (Newport, East)
Howarth, George Edward (Knowsley, North and Sefton, East)
Howarth, James Gerald Douglas (Aldershot)
Howells, Dr. Kim Scott (Pontypridd)
Hoyle, Lindsay Harvey (Chorley)
Hughes, Beverley June (Stretford and Urmston)
Hughes, Kevin Michael (Doncaster, North)
Hughes, Simon Henry Ward (North Southwark and Bermondsey)
Humble, Mrs. Jovanka (Blackpool, North and Fleetwood)
Hume, John (Foyle)
Hunter, Andrew Robert Frederick (Basingstoke)
Hurst, Alan Arthur (Braintree)
Hutton, John Matthew Patrick (Barrow and Furness)

I

Iddon, Brian (Bolton, South-East)
Illsley, Eric Evelyn (Barnsley, Central)
Ingram, Adam Paterson (East Kilbride)

J

Jack, Rt. Hon. John Michael (Fylde)
Jackson, Glenda May CBE (Hampstead and Highgate)
Jackson, Mrs. Helen Margaret (Sheffield, Hillsborough)
Jackson, Robert Victor (Wantage)
Jamieson, David Charles (Plymouth, Devonport)
Jenkin, Bernard Christison (North Essex)
Jenkins, Brian David (Tamworth)
Johnson, Alan Arthur (Kingston upon Hull, West and Hessle)
Johnson, Melanie Jane (Welwyn Hatfield)
Johnson Smith, Rt. Hon. Sir Geoffrey (Wealden)
Jones, Fiona Elizabeth Ann (Newark)
Jones, Helen Mary (Warrington, North)

Jones, Ieuan Wyn (Ynys Môn)
Jones, Jennifer Grace (Wolverhampton, South West)
Jones, Jon Owen (Cardiff, Central)
Jones, Dr. Lynne Mary (Birmingham, Selly Oak)
Jones, Martyn David (Clwyd, South)
Jones, Nigel David (Cheltenham)
Jones, Stephen Barry (Alyn and Deeside)
Jowell, Rt. Hon. Tessa Jane Helen Douglas (Dulwich and West Norwood)

K

Kaufman, Rt. Hon. Gerald Bernard (Manchester, Gorton)
Keeble, Sally Curtis (Northampton, North)
Keen, Mrs. Ann Lloyd (Brentford and Isleworth)
Keen, Alan (Feltham and Heston)
Keetch, Paul Stuart (Hereford)
Kelly, Mrs. Ruth Maria (Bolton, West)
Kemp, Fraser (Houghton and Washington, East)
Kennedy, Charles Peter (Ross, Skye and Inverness, West)
Kennedy, Mrs. Jane Elizabeth (Liverpool, Wavertree)
Key, Simon Robert (Salisbury)
Khabra, Piara Singh (Ealing, Southall)
Kidney, David Neil (Stafford)
Kilfoyle, Peter (Liverpool, Walton)
King, Andrew (Rugby and Kenilworth)
King, Oona Tamsyn (Bethnal Green and Bow)
King, Rt. Hon. Thomas Jeremy CH (Bridgwater)
Kingham, Teresa Jane (Gloucester)
Kirkbride, Julie (Bromsgrove)
Kirkwood, Archibald Johnstone (Roxburgh and Berwickshire)
Kumar, Ashok (Middlesbrough, South and East Cleveland)

L

Ladyman, Stephen John (South Thanet)
Laing, Mrs. Eleanor Fulton (Epping Forest)
Lait, Mrs. Jacqui (Beckenham) [*By-election, November 1997*]
Lansley, Andrew David (South Cambridgeshire)
Lawrence, Mrs. Jacqueline Rita (Preseli Pembrokeshire)
Laxton, Robert (Derby, North)
Leigh, Edward Julian Egerton (Gainsborough)
Lepper, David (Brighton, Pavilion)
Leslie, Christopher Michael (Shipley)
Letwin, Oliver (West Dorset)
Levitt, Tom (High Peak)
Lewis, Ivan (Bury, South)
Lewis, Julian Murray (New Forest, East)
Lewis, Terence (Worsley)
Liddell, Mrs. Helen Lawrie (Airdrie and Shotts)
Lidington, David Roy (Aylesbury)
Lilley, Rt. Hon. Peter Bruce (Hitchin and Harpenden)
Linton, John Martin (Battersea)
Livingstone, Kenneth Robert (Brent, East)
Livsey, Richard Arthur Lloyd (Brecon and Radnorshire)
Lloyd, Anthony Joseph (Manchester, Central)
Lloyd, Rt. Hon. Sir Peter Robert Cable (Fareham)
Llwyd, Elfyn (Meirionnydd Nant Conwy)
Lock, David Anthony (Wyre Forest)
Lord, Michael Nicholson (Central Suffolk and North Ipswich)
Loughton, Timothy Paul (East Worthing and Shoreham)
Love, Andrew (Edmonton)
Luff, Peter James (Mid Worcestershire)
Lyell, Rt. Hon. Sir Nicholas Walter QC (North East Bedfordshire)

M

McAllion, John (Dundee, East)
McAvoy, Thomas McLaughlin (Glasgow, Rutherglen)
McCabe, Stephen James (Birmingham, Hall Green)
McCafferty, Christine (Calder Valley)
McCartney, Ian (Makerfield)
McCartney, Robert Law QC (North Down)
McDonagh, Siobhain Ann (Mitcham and Morden)
Macdonald, Calum Alasdair (Western Isles)
McDonnell, John Martin (Hayes and Harlington)
McFall, John (Dumbarton)
McGrady, Edward Kevin (South Down)
MacGregor, Rt. Hon. John Roddick Russell OBE (South Norfolk)
McGuinness, Martin (Mid Ulster)
McGuire, Mrs. Anne (Stirling)
McIntosh, Anne Caroline Ballingall (Vale of York)
McIsaac, Shona (Cleethorpes)
MacKay, Rt. Hon. Andrew James (Bracknell)
McKenna, Rosemary (Cumbernauld and Kilsyth)
Mackinlay, Andrew Stuart (Thurrock)
Maclean, Rt. Hon. David John (Penrith and The Border)
McLeish, Henry Baird (Central Fife)
Maclennan, Rt. Hon. Robert Adam Ross (Caithness, Sutherland and Easter Ross)
McLoughlin, Rt. Hon. Patrick Allen (West Derbyshire)
McMaster, Gordon (Paisley, South) [*died, July 1997*]
McNamara, Joseph Kevin (Kingston upon Hull, North)
McNulty, Anthony James (Harrow, East)
MacShane, Denis (Rotherham)
Mactaggart, Fiona Margaret (Slough)
McWalter, Tony (Hemel Hempstead)
McWilliam, John David (Blaydon)
Madel, Sir William David (South West Bedfordshire)
Maginnis, Kenneth (Fermanagh and South Tyrone)
Mahon, Mrs. Alice (Halifax)
Major, Rt. Hon. John (Huntingdon)
Malins, Humfrey Jonathon (Woking)
Mallaber, Clare Judith (Amber Valley)
Mallon, Seamus (Newry and Armagh)
Mandelson, Rt. Hon. Peter Benjamin (Hartlepool)
Maples, John Cradock (Stratford-on-Avon)
Marek, Dr. John (Wrexham)
Marsden, Gordon (Blackpool, South)
Marsden, Paul William Barry (Shrewsbury and Atcham)
Marshall, David (Glasgow, Shettleston)
Marshall, James (Leicester, South)
Marshall-Andrews, Robert Graham (Medway)
Martin, Michael John (Glasgow, Springburn)
Martlew, Eric Anthony (Carlisle)
Mates, Michael John (East Hampshire)
Maude, Rt. Hon. Francis Anthony Aylmer (Horsham)
Mawhinney, Rt. Hon. Sir Brian Stanley (North West Cambridgeshire)
Maxton, John Alston (Glasgow, Cathcart)
May, Mrs. Theresa Mary (Maidenhead)
Meacher, Michael Hugh (Oldham, West and Royton)

Meale, Joseph Alan (Mansfield)
Merchant, Piers Rolf Garfield (Beckenham) [*resigned, October 1997*]
Merron, Gillian Joanna (Lincoln)
Michael, Rt. Hon. Alun Edward (Cardiff, South and Penarth)
Michie, Mrs. Janet Ray (Argyll and Bute)
Michie, William (Sheffield, Heeley)
Milburn, Rt. Hon. Alan (Darlington)
Miller, Andrew Peter (Ellesmere Port and Neston)
Mitchell, Austin Vernon (Great Grimsby)
Moffatt, Mrs. Laura Jean (Crawley)
Moonie, Dr. Lewis George (Kirkcaldy)
Moore, Michael Kevin (Tweeddale, Ettrick and Lauderdale)
Moran, Mrs. Margaret (Luton, South)
Morgan, Alasdair Neil (Galloway and Upper Nithsdale)
Morgan, Julie (Cardiff, North)
Morgan, Hywel Rhodri (Cardiff, West)
Morley, Elliot Anthony (Scunthorpe)
Morris, Estelle (Birmingham, Yardley)
Morris, Rt. Hon. John QC (Aberavon)
Moss, Malcolm Douglas (North East Cambridgeshire)
Mountford, Kali Carol Jean (Colne Valley)
Mowlam, Marjorie (Redcar)
Mudie, George Edward (Leeds, East)
Mullin, Christopher John (Sunderland, South)
Murphy, Denis (Wansbeck)
Murphy, James (Eastwood)
Murphy, Paul Peter (Torfaen)

N

Naysmith, Dr. John Douglas (Bristol, North-West)
Nicholls, Patrick Charles Martyn (Teignbridge)
Norman, Archibald John (Tunbridge Wells)
Norris, Dan (Wansdyke)

O

Oaten, Mark (Winchester) [*Election petition October 1997, by-election, November 1997*]
O'Brien, Michael (North Warwickshire)
O'Brien, William (Normanton)
O'Hara, Edward (Knowsley, South)
Olner, William John (Nuneaton)
O'Neill, Martin John (Ochil)
Opik, Lembit (Montgomeryshire)
Organ, Diana Mary (Forest of Dean)
Osborne, Sandra Currie (Ayr)
Ottaway, Richard Geoffrey James (Croydon, South)

P

Page, Richard Lewis (South West Hertfordshire)
Paice, James Edward Thornton (South East Cambridgeshire)
Paisley, Rev. Ian Richard Kyle (North Antrim)
Palmer, Nicholas Douglas (Broxtowe)
Paterson, Owen William (North Shropshire)
Pearson, Ian Phares (Dudley, South)
Pendry, Thomas (Stalybridge and Hyde)
Perham, Linda (Ilford, North)
Pickles, Eric Jack (Brentwood and Ongar)
Pickthall, Colin (West Lancashire)
Pike, Peter Leslie (Burnley)
Plaskitt, James Andrew (Warwick and Leamington)
Pollard, Kerry Patrick (St. Albans)
Pond, Christopher Richard (Gravesham)
Pope, Gregory James (Hyndburn)
Pound, Stephen Pelham (Ealing, North)
Powell, Sir Raymond (Ogmore)
Prentice, Mrs. Bridget Theresa (Lewisham, East)
Prentice, Gordon (Pendle)
Prescott, Rt. Hon. John Leslie (Kingston upon Hull, East)
Primarolo, Dawn (Bristol, South)
Prior, David Gifford Leathes (North Norfolk)
Prosser, Gwynfor Mathews (Dover)
Purchase, Kenneth (Wolverhampton, North East)

Q

Quin, Rt. Hon. Joyce Gwendolen (Gateshead, East and Washington, West)
Quinn, Lawrence William (Scarborough and Whitby)

R

Radice, Giles Heneage (North Durham)
Rammell, William Ernest (Harlow)
Randall, John (Uxbridge) [*By-election, July 1997*]
Rapson, Sydney Norman John (Portsmouth, North)
Raynsford, Wyvill Richard Nicholls (Greenwich and Woolwich)
Redwood, Rt. Hon. John Alan (Wokingham)
Reed, Andrew John (Loughborough)
Reid, Dr. John (Hamilton, North and Bellshill)
Rendel, David Digby (Newbury)
Robathan, Andrew Robert George (Blaby)
Robertson, George Islay MacNeill (Hamilton, South)
Robertson, Laurence Anthony (Tewkesbury)
Robinson, Geoffrey (Coventry, North West)
Robinson, Peter David (Belfast, East)
Roche, Mrs. Barbara Maureen (Hornsey and Wood Green)
Roe, Mrs. Marion Audrey (Broxbourne)
Rogers, Allan Ralph (Rhondda)
Rooker, Jeffrey William (Birmingham, Perry Barr)
Rooney, Terence Henry (Bradford, North)
Ross, Ernest (Dundee, West)
Ross, William (East Londonderry)
Rowe, Andrew John Bernard (Faversham and Mid Kent)
Rowlands, Edward (Merthyr Tydfil and Rhymney)
Roy, Frank (Motherwell and Wishaw)
Ruane, Christopher Shaun (Vale of Clwyd)
Ruddock, Mrs. Joan Mary (Lewisham, Deptford)
Ruffley, David Laurie (Bury St. Edmunds)
Russell, Christine Margaret (City of Chester)
Russell, Robert Edward (Colchester)
Ryan, Joan Marie (Enfield, North)

S

St. Aubyn, Nicholas Francis (Guildford)
Salmond, Alexander Elliot Anderson (Banff and Buchan)

Salter, Martin John (Reading, West)
Sanders, Adrian Mark (Torbay)
Sarwar, Mohammad (Glasgow, Govan)
Savidge, Malcolm Kemp (Aberdeen, North)
Sawford, Philip Andrew (Kettering)
Sayeed, Jonathan (Mid Bedfordshire)
Sedgemore, Brian Charles John (Hackney, South and Shoreditch)
Shaw, Jonathan Rowland (Chatham and Aylesford)
Sheerman, Barry John (Huddersfield)
Sheldon, Rt. Hon. Robert Edward (Ashton-under-Lyne)
Shephard, Mrs. Rt. Hon. Gillian Patricia (South West Norfolk)
Shepherd, Richard Charles Scrimgeour (Aldridge-Brownhills)
Shersby, Sir Julian Michael (Uxbridge) [*died, May 1997*]
Shipley, Debra Ann (Stourbridge)
Short, Clare (Birmingham, Ladywood)
Simpson, Alan John (Nottingham, South)
Simpson, Keith Robert (Mid Norfolk)
Singh, Marsha (Bradford, West)
Skinner, Dennis Edward (Bolsover)
Smith, Andrew David (Oxford, East)
Smith, Angela Evans (Basildon)
Smith, Christopher Robert (Islington, South and Finsbury)
Smith, Geraldine (Morecambe and Lunesdale)
Smith, Jacqueline Jill (Redditch)
Smith, John William Patrick (Vale of Glamorgan)
Smith, Llewellyn Thomas (Blaenau Gwent)
Smith, Sir Robert Hill (West Aberdeenshire and Kincardine)
Smyth, Rev. William Martin (Belfast, South)
Snape, Peter Charles (West Bromwich, East)
Soames, Arthur Nicholas Winston (Mid Sussex)
Soley, Clive Stafford (Ealing, Acton and Shepherd's Bush)
Southworth, Helen Mary (Warrington, South)
Spellar, John Francis (Warley)
Spelman, Mrs. Caroline Alice (Meriden)
Spicer, Sir Michael William Hardy (West Worcestershire)
Spring, Richard John Grenville (West Suffolk)
Squire, Rachel Anne (Dunfermline, West)
Stanley, Rt. Hon. Sir John Paul (Tonbridge and Malling)
Starkey, Mrs. Phyllis Margaret (Milton Keynes, South West)
Steen, Anthony David (Totnes)
Steinberg, Gerald Neil (City of Durham)
Stevenson, George William (Stoke-on-Trent, South)
Stewart, David John (Inverness East, Nairn and Lochaber)
Stewart, Ian (Eccles)
Stinchcombe, Paul David (Wellingborough)
Stoate, Howard Geoffrey Alvin (Dartford)
Stott, Roger CBE (Wigan)
Strang, Dr. Gavin Steel (Edinburgh, East and Musselburgh)
Straw, John Whitaker (Blackburn)
Streeter, Gary Nicholas (South West Devon)
Stringer, Graham Eric (Manchester, Blackley)
Stuart, Mrs. Gisela Gachaider (Birmingham, Edgbaston)
Stunell, Andrew (Hazel Grove)
Sutcliffe, Gerry (Bradford, South)
Swayne, Desmond Angus (New Forest, West)
Swinney, John Ramsay (North Tayside)
Syms, Robert Andrew Raymond (Poole)

T

Tapsell, Sir Peter Hannay Bailey (Louth and Horncastle)
Taylor, Dari Jean (Stockton, South)
Taylor, David Leslie (North West Leicestershire)
Taylor, Sir Edward Macmillan (Rochford and Southend, East)
Taylor, Ian Colin MBE (Esher and Walton)
Taylor, Rt. Hon. John David (Strangford)
Taylor, John Mark (Solihull)
Taylor, Matthew Owen John (Truro and St. Austell)
Taylor, Rt. Hon. Mrs. Winifred Ann (Dewsbury)
Temple-Morris, Peter (Leominster)
Thomas, Gareth (Clwyd, West)
Thomas, Gareth Richard (Harrow, West)
Thompson, William John (West Tyrone)
Timms, Stephen Creswell (East Ham)
Tipping, Simon Patrick (Sherwood)
Todd, Mark Wainwright (South Derbyshire)
Tonge, Dr. Jennifer Louise (Richmond Park)
Touhig, James Donnelly (Islwyn)
Townend, John Ernest (East Yorkshire)
Tredinnick, David Arthur Stephen (Bosworth)
Trend, Michael St. John CBE (Windsor)
Trickett, Jon Hedley (Hemsworth)
Trimble, Rt. Hon. David (Upper Bann)
Truswell, Paul Anthony (Pudsey)
Turner, Dennis (Wolverhampton, South East)
Turner, Dr. Desmond Stanley (Brighton, Kemptown)
Turner, George (North West Norfolk)
Twigg, John Derek (Halton)
Twigg, Stephen (Enfield, Southgate)
Tyler, Paul Archer CBE (North Cornwall)
Tyrie, Andrew Guy (Chichester)

V

Vaz, Nigel Keith Anthony Standish (Leicester, East)
Viggers, Peter John (Gosport)
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24 November 1998

THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE SECOND SESSION OF THE FIFTY-SECOND PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 7 MAY 1997]

FORTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 321**

FIRST VOLUME OF SESSION 1998–99

House of Commons

Tuesday 24 November 1998

The House met at twenty-four minutes past Eleven o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Message to attend Her Majesty:

The House went; and having returned:

The sitting was suspended until half-past Two o'clock, and then resumed.

2.30 pm

On resuming—

SESSIONAL ORDERS

ELECTIONS

Ordered,

That all Members who are returned for two or more places in any part of the United Kingdom do make their Election for which of the places they will serve, within one week after it shall appear that there is no question upon the Return for that place; and if anything shall come into question touching the Return or Election of any Member, he is to withdraw during the time the matter is in debate; and that all Members upon double Returns do withdraw till their Returns are determined.

Resolved,

That no Peer of the Realm, except a Peer of Ireland, hath any right to give his vote in the Election of any Member to serve in Parliament.

Resolved,

That if it shall appear that any person hath been elected or returned a Member of the House, or endeavoured so to be, by Bribery or any other corrupt practices, this House will proceed with the utmost severity against all such persons as shall have been wilfully concerned in such Bribery or other corrupt practices.

WITNESSES

Resolved,

That if it shall appear that any person hath been tampering with any Witness, in respect of his evidence to be given to this House, or any Committee thereof, or directly or indirectly hath endeavoured to deter or hinder any person from appearing or giving evidence the same is declared to be a high crime and misdemeanour; and this House will proceed with the utmost severity against such offender.

Resolved,

That if it shall appear that any person hath given false evidence in any case before this House, or any Committee thereof, this House will proceed with the utmost severity against such offender.

METROPOLITAN POLICE

Ordered,

That the Commissioner of Police of the Metropolis do take care that during the Session of Parliament the passages through the streets leading to the House be kept free and open and that no obstruction be permitted to hinder the passage of Members to and from this House, and that no disorder be allowed in Westminster Hall, or in the passages leading to this House, during the Sitting of Parliament, and that there be no annoyance therein or thereabouts; and that the Serjeant at Arms attending this House do communicate this Order to the Commissioner aforesaid.

VOTES AND PROCEEDINGS

Ordered,

That the Votes and Proceedings of this House be printed, being first perused by the Speaker; and that she do appoint the printing thereof; and that no person but such as she shall appoint do presume to print the same.

OUTLAWRIES

A Bill for the more effectual preventing Clandestine Outlawries; was read the First time; and ordered to be read a Second time.

JOURNAL

Ordered,

That the Journal of this House, from the end of the last Session to the end of the present Session, with an index thereto, be printed.

Ordered,

That the said Journal and Index be printed by the appointment and under the direction of William Robert McKay Esq, CB, the Clerk of this House.

Ordered,

That the said Journal and Index be printed by such person as shall be licensed by the Speaker, and that no other person do presume to print the same.

Queen's Speech

Madam Speaker: I have to acquaint the House that this House has this day attended Her Majesty in the House of Peers, and that Her Majesty was pleased to make a Most Gracious Speech from the Throne to both Houses of Parliament, of which I have, for greater accuracy, obtained a copy.

I shall direct that the terms of the Gracious Speech be printed in the Votes and Proceedings. Copies are available in the Vote Office.

The Gracious Speech was as follows:

My Lords and Members of the House of Commons

This is my Government's second legislative programme. Like the first, it will focus upon the modernisation of the country, its institutions, its public services, and its economy.

They will continue in their drive to raise standards in our education services, to improve care in our health services and to modernise our welfare state upon the principle of work for those who can and security for those who cannot.

My Government will continue with economic policies designed to build stability for the long term, making the United Kingdom well placed not just to weather the international financial storms but to emerge stronger from them. My Government will continue to work with our G7 partners and others to reform the international financial institutions.

At home, the central economic objectives of my Government are high and stable levels of economic growth and employment, enabling everyone to share in higher living standards and greater job opportunities.

My Government believe the historic decision to give the Bank of England the power to set interest rates has been crucial to the meeting of its inflation target and credibility in the system. Having reduced Government borrowing by £20 billion in its first year, my Government will continue to pursue sound public finances and abide by its fiscal rules. Productivity will be improved by measures addressing competition, investment, entrepreneurship and improving the skills of the British people.

Legislation will be introduced to improve the regulation of financial services and markets, with a new statutory regulator, the Financial Services Authority. Legislation will be introduced to promote electronic commerce and start modernising the law, improving competitiveness by enabling the United Kingdom to compete in the digital marketplace.

Education remains my Government's top priority. To raise standards in our schools, we must raise standards in teaching. As part of my Government's drive to raise achievement in schools, a consultation paper will be brought forward on the most far-reaching reforms of the teaching profession for fifty years. These will enhance the status of teachers and reward high performance to secure the delivery of high standards. They will be taking other measures to continue the drive to enhance educational opportunity.

My Government will continue to build a modern National Health Service to meet the needs of the whole nation. A Bill will be introduced to replace the NHS internal market which put hospitals, doctors and nurses

in competition with each other. In its place will be decentralised arrangements based on partnership, quality and efficiency to put doctors and nurses in the lead in shaping local services.

Following the White Paper, my Government will be taking forward proposals for the Food Standards Agency.

My Government will continue to tackle crime and its causes, and to modernise the justice system. A Bill will be introduced to modernise the youth courts and to give greater protection for vulnerable and intimidated witnesses in criminal cases.

My Government will introduce legislation to modernise legal aid to make the system fairer and more cost effective, to provide for a Community Legal Service; and to make other changes to overhaul the justice system.

Members of the House of Commons

Estimates for the public service will be laid before you. These will include substantial increases for education and health, laying the foundations for investment of £40 billion extra over the next three years. This investment will be tied to meeting the challenges of modernisation.

My Lords and Members of the House of Commons

My Government has made clear its determination to modernise the welfare state upon clear principles of work, security, fairness and value for money.

A Bill will be introduced giving greater help to those in need by reforming benefits for people with long-term illness or disabilities, and modernising benefits for widows, including, for the first time, provision for widowers. It will include the introduction of a single gateway to the benefit system for those of working age. It will also make provision for pension sharing on divorce and introduce stakeholder pension schemes, offering a new, flexible and good value alternative form of pension.

A Bill will be introduced for the Working Families Tax Credit and Disabled Persons Tax Credit as part of my Government's determination to make work pay.

My Government will introduce legislation to establish a Disability Rights Commission which will assist disabled people in securing comprehensive civil rights and help employers to meet their obligations.

My Government will continue to work in partnership with business, and welcome the improved relations between business and trade unions, who worked together in informing the Government's proposals for fairness at work. They will bring forward measures to establish a forward-looking balance of rights and responsibilities for employers and employees and will promote partnership at work.

A Bill will be introduced to transfer the Contributions Agency to the Inland Revenue, paving the way for better and simpler collection of National Insurance Contributions and tax.

My Government have fulfilled their commitment to establish a Scottish Parliament and a Welsh Assembly in accordance with the wishes of the people. People will be able to vote in elections to the Scottish Parliament and Welsh Assembly next year, and my Government will work to ensure that both are established successfully.

In Northern Ireland, my Government will continue to work towards the full implementation of all aspects of the Belfast Agreement and maintain close co-operation with the Republic of Ireland.

My Government will introduce legislation to modernise local government in England and Wales and secure delivery of high quality local services on a sound financial footing.

Legislation will be introduced to create a new Greater London Authority made up of a directly elected Mayor and a separately elected Assembly. There will be a range of powers to help make London a world class city, including new powers to tackle road congestion and improve public transport.

Regional Development Agencies will be established in England, decentralising decision-taking to the English regions. They will have a remit to serve both rural and urban areas.

A Bill will be introduced to remove the right of hereditary peers to sit and vote in the House of Lords. It will be the first stage in a process of reform to make the House of Lords more democratic and representative. My Government will publish a White Paper setting out arrangements for a new system of appointments of life peers and establish a Royal Commission to review further changes and speedily to bring forward proposals for reform.

My Government believe in open Government. Consultation on draft legislation is a contribution to this. They propose that a draft Freedom of Information Bill be given pre-legislative scrutiny in both Houses. My Government will also publish in draft several Bills, including those to reform Party funding, to improve councils' conduct of business and to establish a Strategic Rail Authority.

Legislation will be brought forward to provide a fair basis for water charging in England and Wales.

Parliament will be given an opportunity to vote on the age of consent. The Bill will strengthen the protection of young people from abuse of trust.

A Bill will be introduced to modernise the law on immigration and asylum, including reform of the appeals system and new support arrangements for asylum seekers.

My Government are committed to tackling global poverty and promoting sustainable development. They will introduce a Bill to convert the Commonwealth Development Corporation to a public private partnership to increase investment in developing countries.

Other measures will be laid before you.

The Duke of Edinburgh and I look forward to receiving State Visits by His Excellency the President of the Federal Republic of Germany next month and his Excellency the President of the People's Republic of China next year. We also look forward to our State Visit to Korea next year and to visiting South Africa for the Commonwealth Heads of Government meeting.

My Government will play a leading role in preparing the European Union for the historic challenge of enlargement. In particular, they will work to secure reform of the Common Agricultural Policy and Structural and Cohesion Funds and to ensure that the EU policies and institutions meet the concerns of our citizens.

They will pursue their initiative to make the European Union's foreign and security policy more effective.

My Government will continue to promote with their European partners the economic reforms which will help to create growth and higher employment. They will

[Madam Speaker]

encourage preparations in the United Kingdom for the introduction in other Member States of the Euro and will maintain the United Kingdom's abatement.

My Government will ensure strong arrangements for defence based on the North Atlantic Treaty Organisation, and promote international peace and security, especially in the Middle East and in Bosnia and Herzegovina. They will also actively pursue a resolution to the problems in Kosovo.

My Government will pursue reform of the United Nations and an early resolution of its funding crisis. They will work to maintain the authority of the Resolutions of the Security Council of the United Nations, including in relation to Iraq.

As we commemorate the 50th anniversary of the Universal Declaration of Human Rights, my Government remain committed to the effective promotion of human rights world-wide.

My Government will continue the fight against terrorism and serious crime at home and abroad. They will continue their leading role in protecting the environment, including the global climate.

My Government see this as a substantial set of measures, addressing its priorities and seeking to meet the important and difficult challenges before us.

My Lords and Members of the House of Commons

I pray that the blessing of Almighty God may rest upon your counsels.

Debate on the Address

Madam Speaker: For the guidance of Members, the topics of debate on the Queen's Speech over the next few days are as follows: Wednesday 25 November—trade and industry, education and employment; Thursday 26 November—health and welfare; Friday 26 November—foreign affairs and defence; Monday 29 November—the constitution and Parliament; Tuesday 30 November—the economy.

I shall call Mr. Joe Ashton to move, and Dr. Lynda Clark to second, the Address.

2.34 pm

Mr. Joe Ashton (Bassetlaw): I beg to move,

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.

Most people in the House know that I am the MP for Bassetlaw; but, unfortunately, no one knows where it is. It is actually the whole of north Nottinghamshire, with two towns called Worksop and Warsop—I have not found towns with a similar name anywhere else in "The Gazetteer". It covers 300 square miles, 38 parish councils and 40-odd towns and villages. It covers a huge rural area, with much farming, but now only two pits—and there is fox hunting on one side of the constituency.

This month, I shall have been in the House 30 years; I entered it on Guy Fawkes day, 1968. Last Friday, the Bassetlaw Labour party celebrated its 80th birthday. It was formed a week after Armistice day, at the end of the first world war. The Tories last won the seat in 1924. In the past 63 years, only two MPs—I and my predecessor, Fred Bellinger—have represented the constituency. Many visitors to the constituency are surprised to hear that, having expected that huge rural area to be a Conservative seat, but it is an area noted for dissent.

The mythical Robin Hood is supposed to have come from just south of the constituency, and John Wesley, who provided all the chapels, came from just north of it, but, in the middle of the constituency, is the birthplace of the pilgrim fathers, Brewster and Bradford. It is a tragedy that the national heritage memorial fund will not advance cash to build a replica of the Mayflower because it has a policy against building replicas of any sort, although I am certain that, if it would allow a replica of that little ship to be built and stationed near the dome, it would be of massive interest to the 22 million Americans who are descended from the pilgrim fathers.

Obviously, the constituents are awkward and stubborn—as we saw in the miners' strike, when half the constituency's miners went on strike with the National Union of Mineworkers and the other half went to work with the Nottinghamshire miners—which is probably why I have been here for 30 years.

In 1968, the situation was very similar to the present one. Two years earlier, a Labour Government had come to power, with a majority of 99. Unfortunately, after a year, Harold Wilson devalued the pound, and Britain was in a terrible financial crisis. That year, there was a local election disaster. The Tories might be interested to know that, in 1968, they had a majority of 50 seats in Liverpool and 63 in Leeds. They had a majority of 60 in Birmingham, where Labour did not win one council seat. They had a majority of 30 in Manchester. That year, Labour lost Sheffield for the first time in 37 years, and it lost Islington and Lambeth by a landslide. In Bassetlaw, the council had doubled the rents, and it was announced that the biggest pit would close. In short, everything in politics for Labour was a total disaster.

It was then, at the Blackpool conference, that Harold Wilson, the Prime Minister, sent for me. In his private room, he said, "It's all down to you now, Joe, lad." I am happy to say that we held Bassetlaw on a recount; those obstinate, contrary, obstreperous, lovely loyal Labour voters of Bassetlaw had stood firm. When I reached the House, it was like the relief of Mafeking, with Harold Wilson shaking my hand in Downing street.

I nearly did not get here at all, because there was a furious row in the media, and the Conservatives were arguing that I should not be allowed to take the oath. Two days before polling day, Barbara Castle had addressed a meeting of 500 people in Bassetlaw, at which she strongly denied that the Government would resort to the panic measures of introducing a freeze on spending and a mini-Budget or take further action to protect the pound. On Thursday, the Leader of the House echoed that denial to the now right hon. Member for Old Bexley and Sidcup (Sir E. Heath)—who may remember it. The recount finished at 1 o'clock in the morning; at 11.15 am, Tony Crosland walked into the Chamber, announced the measures and implemented them.

There was absolute uproar even on the Government Benches because unemployment was touching 600,000 and people were very worried. Barbara Castle denied before the election that the Government intended to take panic measures and afterwards, when she was challenged, simply smiled sweetly and said that she had merely done what Harold Macmillan did when he was Chancellor in three previous by-elections at Gainsborough, Hereford and Taunton. So I was allowed to come in here and take my seat. It was old Labour at its finest.

The difference between then and today is that then old Labour was 27 per cent. behind in the polls whereas today new Labour is 27 per cent. in front. Yet there are some similarities between the Queen's Speech in 1968 and the Queen's Speech today. My by-election happened a couple of days after the Queen's Speech, but in that Queen's Speech there was of course reform of the House of Lords, exactly as there is in today's. Harold Wilson and the right hon. Member for Old Bexley and Sidcup, the Leader of the Opposition at that time, had come to a deal and were fully agreed on how the House of Lords should be reformed. Unfortunately, they forgot to consult Michael Foot and Enoch Powell. Michael Foot led the Back Benchers on the Government side who wanted to blow up the House of Lords and demolish the place, and Enoch Powell led the Back Benchers on the Opposition side who did not want to alter a stick or a stone. They got together and simply talked for ever.

I remember that my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon), who has been in Parliament for longer than I have and perhaps does not like to be reminded about it, spoke on the first amendment to clause 1 for three hours. Then he came back three weeks later to talk on clause 1 stand part. He used a very

[Mr. Joe Ashton]

famous saying—that the place is mythology based on a mediaeval society. Absolutely right then; absolutely right today. Amendments were put down such as one that said that no more than 25 lawyers should be allowed to sit in any second chamber. They were brilliant, but there was no guillotine and the debate went on for ever.

We had a character on our side then who used to do the same job as my hon. Friend the Member for Bolsover (Mr. Skinner) does now. It was just before my hon. Friend came into Parliament. That character was Willie Hamilton. He got fed up of all the debates and he had a bright idea of how to tame the House of Lords. He simply outed all the noble families. He took all the nobles, read through their family trees and said what a bunch of villains and rogues they were. He told us who had made money from the slave trade and from sending kids down the pit and whose great granny was a bimbo at the Brighton pavilion. It got to the stage inside a week where the Lords were queueing up to say to Willie that they would vote for anything, provided he did not mention that Lloyd George not only knew their father but knew their mother and sisters as well. It was the time when Rupert Murdoch had just bought the *News of the World*. He never had to print any sleaze on Sunday; he just printed Willie Hamilton's speeches until the Lords were begging for mercy.

We have a limbo down there with the EC elections, just as we did then. It is absolute chaos now, with candidates not knowing whether they are in or out or whatever. If hon. Members remember, the proposal then was whether to join the EC. Big chunks on the Opposition side were against it and big chunks were for it. It was the same on this side. Willie Hamilton, in exasperation, stood up and said, "This is crazy. This is absolute chaos. This is not the politics of Europe. It is the politics of coitus interruptus." A little voice shouted, "Withdraw!". If they know what is good for them, some Members of the House of Lords down the Corridor will withdraw to their rolling acres for good.

There are many other things in the Queen's Speech. One of the things that I am particularly pleased about is the new age of consent. The House will remember that, in July, I put down an amendment to the proposal to lower the age of homosexual consent from 18 to 16. It said that the age should be 18 for both boys and girls and that it should be a criminal offence for an adult in a position of supervision, authority or trust to have that sort of relationship. I am very glad to understand from my right hon. Friend the Home Secretary that there will be a criminal offence, that adults covered by the offence will be those in a position of authority or trust and that the behaviour prohibited will be all sexual activity.

Harold Wilson brought in a different age of consent in 1968. He allowed all teenagers to have votes at 18. The Tories strongly opposed that. Harold was the only Prime Minister to win the world cup. He thought that, if he gave votes to all the kids at 18, he could not fail to be re-elected. If England had held on to the world cup in 1970, he would have been re-elected, but they lost it four days before.

The first speech that I heard in the House was by Gerry Fitt, who was unknown at the time. Three weeks earlier, he had been in the first Northern Ireland riots in Derry. Gerry had been hit over the head with a police truncheon. He told the House of the situation in Northern Ireland, where one man in Derry had 24 votes because he was a business man and another 8,000 people—Catholic and Protestant—did not have a vote. He warned that we would have problems similar to those in the southern states of the USA unless we brought in viable democracy. It is wonderful to know that 30 years later—it has taken a long time—it looks as though we shall eventually achieve that.

The number of women Members of Parliament is also new. It not only looks better; it smells sweeter round here. It is 88 years this week since the suffragettes stormed the opening of Parliament, demanding votes for women. We are understandably pleased that there are now 140 women in the House. For many Parliaments when I first came here, the percentage of women in Parliament was the same as the percentage of women in prison. That shows who the rogues and vagabonds are among the sexes. We now have a woman Speaker, we have had a woman Prime Minister, we have a woman Leader of the House and a woman Chief Whip.

I am sure that everybody will welcome the working families tax credit and the minimum wage proposals, which will help women far more than any measures for many years. Thirty years ago, there were rows about equal pay. Conservative Members said that it would bankrupt Woolworths and Debenhams. We said that it would not—and it did not. The women at Woolworths went across to Debenhams and bought some curtains and carpets and the women at Debenhams went across to Woolworths and bought six tins of paint and a paint brush for the old man to get on with doing the kitchen. It created more work than any legislation ever. The working families tax credit will do the same. There will be fairness at work for the unions, which is all that they have ever asked for. I am very pleased about that.

Thirty years ago, Tom Jones had a song—that shows how old he is—called, "What's New, Pussycat?" Now we are getting down to just a few old Labour pussycats still here: there is my hon. Friend the Member for Bolsover, my right hon. Friend the Member for Chesterfield (Mr. Benn) and me. We represent three neighbouring constituencies and come here to reminisce about old Labour. It is a bit like "Last of the Summer Wine"—but last of the summer Labour—with Compo, Foggy and Clegg. We spend our time wondering whether Wall street will crash, just like the Berlin wall crashed down, but Bill Clinton always bounces free.

Another song has been popular this year. It comes from the film "The Full Monty", which many people in the House and throughout the world have seen. It starts with a scene in a canal, where the unemployed steel workers are standing on a car trying to steal scrap to make a bit of money. That scene was shot at Bacon lane bridge in Attercliffe, 200 yd from where I was born and 300 yd from where I started work at the age of 15. The first line of the song is, "I believe in miracles." After 30 years in the House, I can see my right hon. Friends on the Front Bench achieving that. There are new jobs in the derelict areas and in the derelict pit sites in my constituency. There is a brighter future for the workers and families from the areas depicted in the film "The Full Monty". As an old Labour stalwart, I congratulate all Labour Ministers: the miracle has arrived.

2.50 pm

Dr. Lynda Clark (Edinburgh, Pentlands): I am honoured to second the motion moved so ably by my hon. Friend the Member for Bassetlaw (Mr. Ashton). It is obvious from his warmth and humanity why my hon. Friend has been re-elected many times by his constituents.

My relationship with the constituency of Edinburgh, Pentlands is not quite so long standing. However, the constituency has a proud tradition of retaining the same elected Member for many years—the only slight problem is that, in the past, it was a Conservative Member. For obvious reasons, I praise the judgment of my constituents who changed that history. However, I reassure them that I will not ask to stay in this place for 30 years, as that might test their patience to exhaustion.

It is an honour for me to follow in the tradition of women like Peggy Herbison, Shirley Summerskill and my right hon. Friend the Member for Dewsbury (Mrs. Taylor). My right hon. Friend was the last woman to make this speech, as long ago as 1975—not that she looks that old. The consequences of seconding this motion may seem pretty grim; they are certainly variable. Some hon. Members, such as my right hon. Friend, have shot to stardom as Cabinet Ministers and some have immediately lost their seats at the next election. I trust that a less traumatic middle way—because it is new Labour—may be possible for me. Whatever happens, our electorates will be there to remind all hon. Members where the paths of glory lead.

This honour is still new to me, and I hope that all hon. Members will share my pleasure in it. My only problem is how to make a speech in support of the motion that hon. Members on both sides of the House will not judge to be sycophantic and the Labour Whips will not judge to be rebellious. That is a difficult task. I do not carry a pager, but my recent experiences of life without one have almost convinced me of the error of my ways. Last week, I moved to a new flat in London. To be frank, I moved in a small van surrounded by my goods and chattels in bin bags—such is the glamorous life of a Member of Parliament in London. I arrived at this place looking rather dusty and dishevelled, and I realised for the first time why baths have been provided on the premises. I made use of the bath in the Lady Members' Room while my messages waited—in the old-fashioned way—on the message board. Time passed, I got washed and changed, and then I collected my messages and discovered that I had been selected for this honour. If I had had a pager, I would have realised that while I was in the van with my bin bags, and my whole day would have been much better.

I realise, of course, that the real honour belongs to my constituents in Pentlands. Hon. Members who have been fortunate enough to visit my constituency will be aware of its scenic beauty, its charming villages which have become part of the greater community, the enviable reputation of its schools and universities, its many churches and its very hospitable residents. However, there are also serious problems of unemployment and poverty.

In only 18 months as a Member of Parliament, I have become very proud of my constituents. I have had hundreds of letters from all parts of the constituency. Many of them concern issues that relate to the wider community such as environment, foreign policy, immigration, social justice, welfare reform and human rights. Those constituents, like many people in Britain, are outward looking and conscious of the fact that they have a responsibility and interest that transcend all national boundaries. As their Member of Parliament, I try to act as their advocate in the Scottish tradition, without fear or favour. I am proud of their wide concerns, which I share.

I look forward to working with constituents and Members of the Scottish Parliament to create a fairer society, extending opportunity and respecting human rights. That is one reason why I welcome the Gracious Speech.

The outline of the Government's programme is impressive. It builds on the programme of constitutional reform and social justice that the Government have already done so much to deliver. On constitutional reform, I welcome the Bill to remove the voting powers of hereditary peers. I cannot say that it will lead to dancing in the streets of Pentlands, but I might have a little dance.

The opportunity for pre-legislative scrutiny of a draft freedom of information Bill underlines the Government's commitment to open government. I put in a special plea for the Select Committee on Public Administration to keep the Bill.

My constituents will be pleased about the proposed changes to the national health service. The NHS Bill will end GP fundholding and create primary care trusts. That will help to ensure that local health service needs are shaped by GPs and community nurses. They are on the front line and they know what the problems are.

For many unemployed people in my constituency, obtaining a job is the first step to independence and financial security. The working families tax credit, which my hon. Friend the Member for Bassetlaw also welcomed, will help many people. It will provide extra help directly into the pay packet for child care costs.

I welcome also the fairness at work Bill. That will encourage family-friendly employment and provide a mechanism for implementing the EU directive on part-time working. In my work as a lawyer, I am aware of the many iniquities suffered by part-time workers, who are often women who have no pension or illness benefits and who are poorly paid.

I welcome also the Bill to set up a disability rights commission. That will be welcomed not only by disabled constituents but by all who have an interest in fairness and opening up opportunity.

Being keen, diligent and new, I was going to give the House a commentary on all the Bills, but those who are more experienced took me aside, had a word in my ear and said that that was a very bad idea. Indeed, one hon. Member said that it did not matter what I said, as long as I was brief. That sounded like good advice. Briefly then, I commend the Gracious Speech to the House.

2.58 pm

Mr. William Hague (Richmond, Yorks): I begin, as is traditional and proper, by paying tribute to the one hon. Member who died during the previous Session. I cannot claim to have known Gordon McMaster well, but I know that he was well liked by many hon. Members on both sides of the House. He shared with many of us a passionate commitment to advancing the cause of disabled people, and I pay tribute to his work on that issue and others. He is greatly missed.

[Mr. William Hague]

I use this opportunity to express once again my sorrow at the death of Sir Michael Shersby. Michael died within days of the general election but just before the previous Session started. He was a great loss to his family, his constituents and the House.

It is a happier tradition at the opening of this debate that the Leader of the Opposition congratulates the hon. Members who proposed and seconded the Loyal Address. I can do that without reservation today. Traditionally, the Government ask one bright, rising Member of the House, who they hope will be helpful in future, and one old-timer who has been sporadically helpful in the past. They have done that on this occasion.

The hon. and learned Member for Edinburgh, Pentlands (Dr. Clark) made a good speech. She was first elected to the House last year. She is one of only seven female Queen's counsels in Scotland—a mark of her great distinction, which she displayed this afternoon. I had to delve quite deeply into her impressive CV to find its highlight, which was that she represented her university at ice dancing. She might reflect on the fact that skating on thin ice and going to the Bar are ideal preparations for being a Member of Parliament. Indeed, she skated on thin ice this afternoon when she said that she was not wearing a pager. If she is the Torvill of the afternoon, is the hon. Member for Bassetlaw (Mr. Ashton) her Dean? She looked pretty worried when the hon. Gentleman mentioned "The Full Monty".

Whether the hon. and learned Member for Pentlands would agree with all the views held by the hon. Member for Bassetlaw, I do not know. The hon. Gentleman has a position of great influence in the House because he is on the Catering Committee—

Mr. Ashton *indicated dissent.*

Mr. Hague: Oh, he was on the Catering Committee. Last year, he ensured the restoration of northern male dishes to the menus in the restaurants of the House because, he said, Labour women Members of Parliament had made it

"like a Kensington wine bar".

I do not want to embarrass him. One journalist said of the hon. Gentleman:

"if the Daily Mirror editorial column were to walk the earth in human form, it would look and sound like"

him.

This month, the hon. Member for Bassetlaw commemorates the 30th anniversary of his first election to the House. Throughout that time, he has always been outspoken and principled and a determined fighter for the causes in which he believes and for the constituents whose interests he was elected to represent. He told me recently that his daughter got a good reception when, as a trainee journalist, she knocked on my mother's door and asked to do an interview. As the hon. Gentleman was an outspoken opponent of the national lottery, I think he should be thankful that she did not knock on Auntie Marge's door—and I do not recommend her doing so in future.

The hon. Member for Bassetlaw is also a keen enthusiast of Sheffield Wednesday. He will agree that being interested in sport helps one to keep life in perspective. As I reminded someone the other day, I support Rotherham United at football, Wales at rugby and Yorkshire at cricket. When one supports those teams, the result of the general election is just a minor irritation.

I have not finished with the hon. Gentleman yet. He is a talented man because he has published a play and a novel. The play was called "A Majority of One". When my secretary asked the Library for a copy, the Library said that the hon. Gentleman had made it clear that he did not want anyone to have it at the moment. Unfortunately for the hon. Gentleman, I had already got hold of the novel "Grass Roots".

The hon. Gentleman maintains that the novel is not autobiographical, but its main character is someone who was elected to the House, to represent a northern town, as the narrow Labour victor at a by-election when a Labour Government were in office. The hon. Gentleman showed an uncanny gift for prediction. Page 183 of the novel states:

"The Ministers made all the decisions, together with the civil servants in Whitehall. They asked no advice from back benchers, and no help except to vote for the policies in the Chamber of the House of Commons. As far as he could see the back bencher was merely lobby-fodder.

All they were required to do was to be walking rubber stamps . . . Everything over and above that was merely superfluous activity . . . to gain publicity . . .

Indignantly, he sat up in bed. What a load of hypocrisy."

Given that he wrote that in 1977, he showed amazing foresight. Remarking on how the Labour Cabinet conducted its business, he wrote:

"They manipulated the system by giving out information in winks, leaks, nods and innuendoes"—

how could anyone imagine such a thing happening?—

"to privileged journalists rather than in a true democratic way by all the party arriving at a collective decision . . . It was sheer humbug."

What tremendous predictive powers the hon. Gentleman had, although the alarming thing is that a year ago the book was on the fiction shelf in the Library, but now it is filed under current affairs.

I congratulate unreservedly the proposer and seconder of the motion.

I should say what we welcome in the Queen's Speech. We are delighted that the presidents of Germany and China will be paying state visits. We shall certainly give them a warm welcome. I hope that the Foreign Secretary and others will forgive me for observing that we have not done too well with visiting dignitaries in recent months. A certain pattern is emerging. The invitation goes out months in advance. Two days before the visitor arrives, an article in *The Sun* gives a grovelling apology, but turns out to have been written by the Prime Minister's press secretary. The day before the visitor arrives, an article in one of his home newspapers denies the apology—not written by the Prime Minister's press secretary. Then there is the ritual of the arrival. On the day itself, there is the red carpet at 3 o'clock, the VIP party at 4, the contract signing at 5, the hospital at 6, the arrest at 7 and the extradition at 8. They know how to do things, this Government.

We welcome and will support other items in the Queen's Speech. We will support the creation of a disability rights commission, although we shall look closely at the detail. I hope that the commission will ensure that the landmark disability rights legislation,

which I took through the House, is properly enforced and leads to a lasting change for disabled people. We shall also look at and debate in detail the financial regulations Bill and the asylum and youth justice Bill. We welcome the part-privatisation of the Commonwealth Development Corporation, so that it is free to build on the excellent work that it has done in dozens of developing countries. I am sure that all stages of the Bill's passage through the House will be well attended—if only for the immense pleasure of seeing the Secretary of State for International Development take her first privatisation measure through the House of Commons.

On Iraq, we welcome the Government's declared readiness to use force against Saddam Hussein if he fails to co-operate with United Nations weapons inspectors. As I said to the Prime Minister last week, he will have our full support if force is necessary, including the use of force without further warning. We believe that it should be an aim of alliance policy to remove Saddam from power, given that his appetite for brinkmanship with the UN, for creating instability in the region, which damages our interests, and for creating weapons of mass destruction seems endless.

We strongly support the Government's continued commitment to making progress towards lasting peace and stability in Northern Ireland. My right hon. Friend the Member for Huntingdon (Mr. Major), when he was Prime Minister, refused to accept that the people of Northern Ireland were condemned to live for ever in terror of the men of violence. He started the peace process, which the Government have had the courage to continue. I have unreservedly congratulated them on securing the Good Friday agreement.

I am sure that the whole House will want to join again at the start of a new Session in congratulating the democratic political leaders of the Province on the enormous effort that they continue to put into turning the agreement into lasting peace. The awarding of the Nobel peace prize to the right hon. Member for Upper Bann (Mr. Trimble) and the hon. Member for Foyle (Mr. Hume) was not just a recognition of their tremendous personal commitment, but a fitting tribute to the hundreds of people who have given so much—often their lives—to secure peace for the people of Northern Ireland.

We want the bipartisan approach to the peace process to continue, although it is our duty, as the Opposition, to speak out when we believe that the Government are making a mistake. Seven months after the agreement was signed, more than 200 terrorists have been released from prison early, but not one gun or 1 ounce of Semtex has been decommissioned. We believe sincerely and strongly that continuing to release terrorist prisoners without any decommissioning by paramilitary organisations in return should stop. Such lack of reciprocation breaks the promise that was given to the people of Northern Ireland. The Secretary of State for Northern Ireland said:

"several things must happen in parallel in order to build confidence. That has always been the situation, whether it be decommissioning, the release of prisoners".—[*Official Report*, 20 April 1998; Vol. 310, c. 484.]

The Government must stand firm and say to the terrorists: "No more prisoner releases, and no place in the government of Northern Ireland, until there has been substantial and verifiable decommissioning. No decommissioning: no exit. You cannot have both the bullet and the ballot. You have to choose." We must get the terrorists to choose.

The second Session of any Parliament is always one of key fundamental importance to any Government. It usually contains major legislation. Often, it is the last chance to enact changes that will come into full effect before the next general election. The programme that we have been given today has everything to do with the Labour party's priorities and nothing whatever to do with the people's priorities. Every Queen's Speech before this one has been about what the Government were going to do through legislation in the coming year—but not this one. It has been modernised. All is not what it seems. Let us have a look at parts of it. We are told:

"Regional Development Agencies will be established in England".

It does not take the most eagle-eyed Member to notice that we passed that legislation last year, when it went through Parliament. We are told also that the Scottish Parliament and the Welsh Assembly will be established. That legislation was passed last year. There are other things on top of the things that the Government have already done that they would get round to doing if they thought that that was important enough. There is reference to

"a draft Freedom of Information Bill",

a draft Bill on party funding and a draft Bill on a strategic rail authority. The Queen's Speech even defends the Government on the food standards agency by stating that they will be

"taking forward proposals for the Food Standards Agency."

What does that mean? Does that mean that there will be legislation or does it not?

The Government have decided to lump everything together—consultation papers, taking forward proposals, draft Bills and Bills that they have already enacted so that everyone can try to have part of the package. The good thing about this is that we can see who the winners and losers are round the Cabinet table. The winners have a Bill; the losers have a draft Bill. The real losers have their proposals taken forward. The completely defeated have a consultation paper. For those who have nothing at all, at least there is the consolation of being Deputy Prime Minister. There is the right hon. Gentleman on the Government Front Bench. Where is the integrated transport strategy? Where has it got to? The Deputy Prime Minister is in his place and no doubt he can tell us.

Back in July, as the right hon. Gentleman was telling us, after 20 years in the wilderness, this was the day when transport policy burst out into the light of a new dawn. He said that doing nothing was not an option. Clearly doing nothing is an option. There is the right hon. Gentleman busy doing nothing. The right hon. Gentleman is Secretary of State for the Environment, Transport and the Regions, but there is nothing in the Queen's Speech about the environment, nothing about transport except the shadow rail authority and nothing for the regions except what we have already done. What is the point of having an integrated transport policy when the right hon. Gentleman cannot even integrate it into the Government's programme? He has never been one for nursing a grievance quietly, so he can tell us all about it whenever he wants.

The Secretary of State for the Environment, Transport and the Regions (Mr. John Prescott): I have got 77 White Paper proposals under way and five Bills out of the 22.

Mr. Hague: At least people with a Jaguar can breathe a sigh of relief that the right hon. Gentleman's crazy

[Mr. Hague]

anti-car proposals are stuck in a lay-by. Those with two Jags can breathe two sighs of relief. The right hon. Gentleman need not look so grumpy. He and the right hon. Member for Yeovil (Mr. Ashdown) can always form a club of people who give unquestioning support to the Prime Minister but get precious little in return.

What happened to the freedom of information Bill that was to be in the Queen's Speech? It has been announced many times and it now appears as a promise of a draft Bill. In July, the Cabinet Minister in charge of the Bill said that we would have a draft Bill by September. We still do not have a draft Bill. Nothing seems more ridiculous now than freedom of information from the Government who gave us formula one, with its meetings that were never minuted; Sierra Leone, with its telegrams that never turned up; a junior Environment Minister, with his mysterious planning letters; and the Paymaster General, who has woven such a web of secrecy round his affairs that no one understands how he borrowed a fiver from Robert Maxwell and came back years later as a multi-millionaire. Where is the right hon. Gentleman, by the way? He seems not to have turned up. The Government are drafting a freedom of information Bill but they have a suppression of information culture.

The right hon. Member for South Shields (Dr. Clark) found that out the hard way. He spent months putting a freedom of information Bill together only to discover that the only information with which the Prime Minister was free with was that he was going to sack the right hon. Gentleman in the reshuffle. Last week, the right hon. Gentleman had to speak out against the Government lies that the Bill was not ready. He said that it was 90 per cent. drafted and about to be published when he got the boot from the Cabinet in the summer. The right hon. Gentleman is nodding and confirming what I have said. He said:

"Number 10 is already in operation trying to blacken me."

Watch out—there were witnesses this time.

What happened to the Bill to implement the Neill Committee recommendations? It is now reduced to a draft Bill. Two weeks ago, the Home Secretary told us:

"We will act quickly to implement the main findings".—[*Official Report*, 9 November 1998; Vol. 319, c. 58.]

What he meant was that he would act slowly to draft legislation to leave out the bits that he did not like.

We promised support for the Neill package, so why is it not in the Queen's Speech? The Prime Minister can explain that in his speech in a moment. I suspect that it has something to do with Lord Neill's key recommendation that Governments should not spend taxpayers' money on referendum campaigns. Will the Prime Minister accept that central recommendation? He can get up now, if he likes, and tell us—yes or no. What is he afraid of? Why does he not want fair referendums? He is not so keen on cleaning up political funding now, is he?

Dr. Desmond Turner (Brighton, Kemptown): The right hon. Gentleman is being a little conservative with the truth in suggesting that there are not measures in the Queen's Speech that he and his party will oppose root and branch. The only way in which they can oppose them in these Houses is by the use of the unelected votes of Tory hereditary peers. In that way he hopes to obstruct the clearly expressed will of an elected Parliament. How can he justify that?

Mr. Hague: The hon. Gentleman clearly has not read his party's manifesto if he thinks that there was a clearly expressed will to have closed lists in European elections campaigns. Where was the clearly expressed will from the people of the United Kingdom? Let him stand up again and tell us where the clearly expressed will of the people was. There was no clearly expressed will.

Speaking of referendums, what has happened to the referendum on proportional representation? The Prime Minister said of the Jenkins report that he was not persuaded by it. Does that mean that we shall have a referendum with three boxes—yes, no, and not persuaded, so that the Prime Minister can fill one in? There is no mention of such a referendum because the Cabinet cannot decide on its view. As the Prime Minister's press office put it,

"The Cabinet is not split on PR. It has agreed a collective position. And the collective position is that we must have a national debate."

That was clever. Since then, we have heard nothing about it.

Let us see how the Cabinet is getting on in the national debate. Let all those in the Cabinet who are in favour of proportional representation raise their hands. *[Interruption.]* None of them. It does not look as though the pact will get very far, does it?

The poor Liberals have been strung along again. The right hon. Member for Yeovil will be the first Liberal leader to say to his party, "Go back to your constituencies and prepare to give in to the Government."

Was the right hon. Gentleman listening carefully to the Queen's Speech? There was no mention of the European Elections Bill being reintroduced. The speech was obviously printed before he threw his tantrum on the telephone the other night. It does not look as though all those long-distance calls were worth it. I certainly hope that he reversed the charges.

Everybody can relax. There has been a stay of execution for the Lib-Lab pact. The European Elections Bill apparently will be part of the legislative programme. Once again, the Prime Minister will march his troops into the Division Lobby to try to force on the British people a voting system that denies voters their basic right to choose the candidates who represent them.

Fiona Mactaggart (Slough) *rose—*

Mr. Hague: Still no arguments have been put in favour of the system, but if the hon. Lady wants to advance one, she may do so.

Fiona Mactaggart: Does the right hon. Gentleman recall that it was his party that introduced the same form of proportional representation in Northern Ireland? Does he believe that under the present electoral system, where in relatively small constituencies only 7 per cent. of the British people can name their Member of the European Parliament, it is a fundamental democratic right to choose between candidates? Ninety-three people out of 100 do not even know who those candidates are.

Mr. Hague: What extraordinary arrogance to assume that the electorate do not want to take an interest in who

their candidates are! Why does the hon. Lady not listen to the view of the Anglican and Catholic Bishops who wrote to the Prime Minister this week about their

"great concern that"

closed lists

"would make it extremely difficult to vote with their consciences. Under a closed-list system, voters would be unable to distinguish between candidates' views on a range of important areas."

Why is the Prime Minister so anxious to have closed lists? Neither the hon. Member for Brent, East (Mr. Livingstone) nor the hon. Member for Cardiff, West (Mr. Morgan) are standing for the European Parliament. Why does he not just be honest and admit that he simply wants to gag his party and thinks that he can get away with it?

To all independent opinion, this affair has made the strongest case possible for a second Chamber, with independence and integrity, which can stand up to the Prime Minister of the day, and which the Prime Minister wants to neuter.

Mr. A. J. Beith (Berwick-upon-Tweed): Let me get this clear. Does the right hon. Gentleman want to insist that the next European elections are fought on a system which hopelessly distorts the result of the votes cast by the British voters and in which the individual candidates are not chosen by an open list but are selected by the parties? That would at least be consistent with the fact that, when the issue of open lists came up in the other place in Committee, the Conservatives did not even support it.

Mr. Hague: I am arguing for an amendment to the Bill which would have brought in open lists. The right hon. Gentleman had better remember that it is Liberal Democrat policy to support open lists, and the Liberal Democrats have spent their time voting against their own policy on a three-line whip. That is the heart of the matter.

The Queen's Speech has everything to do with the Labour party's priorities and nothing whatever to do with the priorities of the British people. There is no legislation that will make it easier for a single extra person to obtain a job. There is no legislation—

Several hon. Members *rose—*

Mr. Hague: No, I shall not give way. I want to make some progress. We know the position of the Liberal Democrats.

There is no legislation that will improve hospital treatment for a single extra patient, and there is no legislation that will improve education for a single child.

Now let us look in detail at what is in the Queen's Speech. Is giving more power to trade unions meant to be a priority for the British people? That is what the legislation that the Government propose will do. It will force companies against their will to recognise trade unions and it will pile burdens and extra costs on British business just when it is facing a severe economic slowdown created by the Government's incompetence. That is not a priority for the British people; it is a priority only for the Labour party.

Remember the sequence of events in the past few days. Thursday, the Secretary of State for Trade and Industry said that he was thinking again about the Bill. Sunday, the headline appears: "Unions to Blair: we'll stop your election funding". Tuesday, the Bill is a centrepiece of the programme. It is a simple and crude pay off. The unions pay the Prime Minister's bills and he passes theirs.

What about a Bill on the NHS which will increase NHS bureaucracy? When was that a people's priority?

Ann Keen (Brentford and Isleworth): What do reputable companies have to fear from trade unions? Does the right hon. Gentleman think that a two-tier system is good for patients in Britain?

Mr. Hague: The hon. Lady obviously knows little about British history if she thinks that extensions of trade union powers can never create difficulties for businesses and employment. That is likely to happen. As the chairman of the CBI's small business council—the Government spend a lot of time talking to the CBI—flatly said, the Bill

"will drive people out of business."

Why is that a Government priority, and why is it a priority at this time?

Let me tell the hon. Lady about the NHS Bill. It will take power away from general practitioners and give it to unaccountable and bureaucratic primary care groups. It will take money away from patients to spend on more management—*[Interruption.]* The hon. Member for Milton Keynes, South-West (Dr. Starkey) and the Secretary of State for Health laugh, but let me read out a letter from a doctor. It says:

"I am"—

[Interruption.] Well, Labour Members do not like to take advice from the doctor. It says:

"I am a General Practitioner and quite concerned that the proposals in the White Paper"—

Labour Members should listen to this, because it is not on their pagers or from a Labour party briefing, but what a real person says—

"will seriously undermine the quality of care that is available to patients . . .

Under the new White Paper it is very clear that GPs will have to spend more time away from their patients involved in bureaucracy, administration work and accountancy."

The Government should be responding to those concerns, not fiddling with the waiting list figures. We have already got waiting lists for waiting lists—subsidiary waiting lists and concealed waiting lists.

I have here an internal memo from Bradford Hospitals NHS trust—I hope that hon. Members will take this down—which says:

"Following new NHS guidelines, patients on Waiting Lists for"

certain operations

"are not to be included in monthly returns.

To enable us to identify such patients more easily, a new list '05' has been set up. Patients who went on the list prior to 1st June . . . have now been transferred to this list.

Please could you ensure that all future entries for such operations are now put onto this list."

They are

"not to be included in monthly returns".

That is the sort of thing that we are getting from the Queen's Speech.

This morning, the Government tried to pretend to the press that the main thing in the Queen's Speech was welfare reform, but increasing welfare bills and increasing benefit dependency, which is what it will do, were never the people's priorities. It has been a sorry tale. The Prime Minister held roadshows, but cancelled them when someone threw an egg at the Chancellor—Delia Smith has not been the only one to help egg sales over the past year—and he appointed a Minister for Welfare Reform, but pushed him out of the Government when he tried to reform welfare.

The Prime Minister said before the election that

"New Labour is about cutting our welfare bills".

Mr. Christopher Leslie (Shipley): Will the right hon. Gentleman give way?

Mr. Hague: I shall take the hon. Gentleman's intervention in a couple of moments.

After the election, the Prime Minister let welfare bills rise. The working families tax credit—the centrepiece of his policy—will cost billions of pounds extra, bring half a million new people into benefits, make it more financially rewarding for people to look after someone else's children rather than their own and benefit lone parents over one-earner couples. It will mean that upper rate taxpayers—some earning as much as £38,000 a year—will become eligible for a benefit that is supposed to be targeted on low-income families. Those are not the right priorities, and that is why we oppose the abolition of the existing family credit, which costs less, but works better. What counts is what works.

Mr. Leslie: Will the right hon. Gentleman give way?

Mr. Hague: Before the hon. Gentleman gets too excited, I shall give way.

Mr. Leslie: The right hon. Gentleman has talked about his decision to urge cuts in social security. Does he plan to cut disability benefits, child benefit or perhaps pensions—or all three—as well as the working families tax credit?

Mr. Hague: If the hon. Gentleman had been listening, instead of becoming so overexcited, he would have heard me talking about the working families tax credit. Our argument—it is the right argument—is that family credit should be maintained and the working families tax credit not introduced.

It is clear that the Government have embarked on a welfare reform programme without any idea of what they are doing. One moment they say that they will tax the child benefit of upper rate taxpayers; the next, they say that they will give upper rate taxpayers a new benefit to help them to look after children. One moment they pass a measure to reduce the advantage of lone parents over one-earner couples in the benefit system; the next, they introduce an entirely new measure to benefit lone parents over one-earner couples. One moment they talk of increasing incentives to work; the next, they introduce a raft of new means tests. The result is £40 billion of extra expenditure.

Mr. Andrew Miller (Ellesmere Port and Neston): Given the right hon. Gentleman's earlier commitment to the disability rights commission, when he has scrapped the working families tax credit will he also scrap the disability element of the tax credit—yes or no?

Mr. Hague: The hon. Gentleman knows full well, because he and I have served together on Committees, of my commitment to disabled people and to benefits for disabled people. I have never advocated reductions in benefits for disabled people. *[Interruption.]* If the hon. Gentleman disagrees about the working families tax credit, let him consider what the right hon. Member for Birkenhead (Mr. Field) said. In August, the right hon. Member for Birkenhead said:

"the whole of the working family tax credit venture is fraught with great dangers. It offers huge bonuses for dishonesty. It strengthens the employer's hold over working people—'these are the conditions, cheat, and both of us will be better off'. It . . . pulls employees into a spider's web of dishonesty and corruption. It rewards employers paying low wages. It takes pressure off improving productivity".

Those are the words of the one man in the Labour party who knows more about welfare reform than anyone else, and I suggest that the Government listen to him.

None of the Bills in the Queen's Speech addresses the pressing priorities of the British people. That is especially true of the Bill that I suspect will dominate this Session. That Bill will hang like a millstone around the Prime Minister's neck and show that the Government are more interested in fiddling with our constitution than addressing the real priorities of the British people. When the hon. and learned Member for Pentlands said that she would be dancing about it—her constituents will not—she gave the game away in an otherwise splendid speech. The Bill replaces an independent second Chamber with a house of cronies.

The Prime Minister thought that the House of Lords was an independent second Chamber when it defeated the previous Government. Indeed, he congratulated it and said that that was a victory for common sense. He has now set up a royal commission to consider alternatives to the present House of Lords. Given that it will report in just two years' time, why will he waste the coming year on a piece of constitutional vandalism that will be obsolescent in 24 months? All sensible people want to wait for the royal commission. They are not prepared to embark on reform of the House of Lords until they see where the Government are going with it. They do not want stage 1 without stage 2.

The reason the Prime Minister does not want to wait for the royal commission is clear: he has never intended carrying out proper reform of the House of Lords, but wants to create a house of cronies beholden to him alone. We know what his vision of the future is: Lord Draper of Lobbygate; Lord Robinson of Offshore Funds; Lord Mandelson of Rio; and the Prime Minister will be Baron of Ideas.

The director of Charter 88, who is not normally an ally of the Conservative party, said that the Prime Minister plans

"to create an Upper House that is so pliant and illegitimate that it will expose the Government to the charge of dictatorship".

It is time that the Prime Minister listened. The public and the press are against him on this matter. Why does he not do the common-sense thing and wait for the royal commission? He can waste an entire year trying to ram a Bill that no one wants through Parliament and trying to increase his powers of patronage, or he can spend that year getting on with real people's priorities, such as jobs, schools and hospitals.

The Queen's Speech abolishes the independence of general practitioners, increases council tax bills through the abolition of competitive tendering and increases trade union power. We know from the growth forecasts that the Chancellor must constantly downgrade and from surveys such as the CBI business survey, which shows confidence at its lowest level for 18 years, that there is a serious economic situation. Business confidence is at an all-time low and Government complacency at an all-time high.

We need not rely on surveys and forecasts to tell us that; we can use the evidence before us, if only we are willing to listen. The Prime Minister might listen to someone on his constituency doorstep. A letter from someone in County Durham says:

"I draw your attention to the Prime Minister's recent visit to the North East when he supported the 'upbeat' view of the economic situation. On a visit to"—

the company he worked for—

"which was televised, he encouraged viewers to ignore the closures of Fujitsu and Siemens and think of success stories such as"—

that company.

"What he forgot to mention was that just prior to his visit, myself and 93 of my fellow workers had been laid off by that same company. We were all employed on work for Rover, Ford and Nissan. I believe that all of these companies are experiencing short-time working.

All of my applications for work since have been unsuccessful because of layoffs and I know of many more anticipated by Christmas."

There we have it: the Nero of Sedgefield, who is fiddling with the constitution while jobs burn. Today, he has served up to us a Bill about working practices that will make it harder for people to find work in practice; increases in council tax bills in the future when people find it hard to pay the bills they have now; and welfare reform that increases dependency and welfare bills.

The Prime Minister is trapped in a European agenda that will bring higher taxes, higher spending and more regulation: all the things that we know from the past destroy jobs, not create them. The Queen's Speech should have contained measures to make it easier for jobs to be created by halting new regulations that will make it more expensive to employ people, such as statutory union recognition and parts of the working time directive, and plans to curb the dramatic increase in welfare spending, so that interest rates can be cut further.

The Prime Minister should have considered measures to improve education, not just made vague promises of consultation papers. The Queen's Speech should have contained measures to end the rule that popular schools cannot expand so long as unpopular schools have empty places, and measures to make it easier to set up and run new schools, or to allow successful schools to use their experience to help neighbouring schools.

The Queen's Speech could have contained real action to protect the British countryside, such as measures to ensure that two thirds of new homes are built on brown-field sites instead of on green belt. It should have provided a fairer deal for British farmers by insisting that the same high standards that are applied at home are applied to foreign food imports. It should have contained real help for married families by using the tax and benefit system, instead of abolishing the last recognition of marriage in the system.

Not one of those measures is in the Queen's Speech, because it is all to do with the priorities of Labour politicians and nothing to do with the priorities of the people. It shows that they are a Government with no purpose except their own re-election. Their legislative programme contains only what will help them to fund their party, to control their organisation or to buy off interest groups.

The Queen's Speech contains Bills to increase the power of union paymasters at the expense of jobs and businesses; Bills to hand control to local government officials at the expense of local taxpayers; Bills to appeal to the prejudices of the Labour party at the expense of better public services; Bills to increase the power of the Prime Minister at the expense of democracy and in defiance of common sense.

The Government want to move from one election campaign to the next without bothering to govern in between. Before new Labour, politicians fought elections in order to govern. This Administration govern in order to fight elections. This Queen's Speech is about the priorities of the Labour party, not about the priorities of the people.

3.38 pm

The Prime Minister (Mr. Tony Blair): As tradition has it, I shall begin by performing two duties, one of which is the sad duty of paying tribute to Gordon McMaster. He was a valued Member of the House, and, for those who knew him, could justly be described as one of the nicest and kindest people anyone could ever meet. He was a thoroughly decent man, and is sadly missed in the House. I also join the right hon. Member for Richmond, Yorks (Mr. Hague) in his tribute to Michael Shersby.

It is my more pleasant duty to pay tribute to the proposer and seconder of the Loyal Address. My hon. Friend the Member for Bassetlaw (Mr. Ashton) made a brilliant and scintillating speech, and we all enjoyed it immensely. The similarities between 1968 and now were interesting, but the differences were even better. Apart from politics, my hon. Friend's other lifelong passion is football. Whatever excitement he felt in proposing the Loyal Address, I am sure that it was as nothing compared with Sheffield Wednesday's 3-1 defeat of Manchester United last Saturday.

My hon. Friend was a Whip during the previous Labour Government—he was known as a strong Whip. He was also a whip on Sheffield city council. He was known as something of a control freak in his time. He sounds like my type of politician! I pay tribute to his speech, and to the wonderful way in which he put across his case on behalf of his constituents.

[The Prime Minister]

I also thank my hon. and learned Friend the Member for Edinburgh, Pentlands (Dr. Clark), who entered the House last year in the most dramatic way by defeating the former Foreign Secretary. As she showed today, she brings formidable skills to the House, having been a distinguished Queen's counsel. She always contributes well to our debates. I should tell her, in case she is worried that anything that she said sounded rebellious, that I do not carry a pager either. It is always better to write the messages than to receive them.

The right hon. Member for Richmond, Yorks made a speech that was full of great jokes—I will give him that—but it was a speech devoid of any serious content. The right hon. Gentleman said nothing of any interest about any major subject that concerns the country. As a sixth-form debating speech, it was fine; but, for a speech that was supposed to address the big issues of the day, it was full of diddling and tiddling but nothing much else. I believe that the right hon. Gentleman spent more time on the Paymaster General than on education. And what was the one policy? We heard no policy in the entire speech, save one. The right hon. Gentleman would scrap Bank of England independence; he would scrap the £40 billion investment in our schools and hospitals; he would scrap the working families tax credit revenue deal; but he will die in the ditch to save the hereditary peers.

I gather that the right hon. Gentleman has hired an image consultant. I would go back and hire another, because that was the response of a Conservative party that is moving ever further rightwards and backwards. Its programme has nothing to do with the interests of the country.

The right hon. Gentleman said that we had not legislated. In the last Session, we proposed 22 Bills and delivered 52 Acts, including four education Acts. Now, in a much shorter Session, nearly 20 Bills are promised, covering a range of issues barely any of which the right hon. Gentleman mentioned. Yes, there are other draft Bills, and yes, they do deal with issues such as freedom of information, the food standards agency and the funding of political parties. The right hon. Gentleman seemed to criticise us for not doing those things more quickly. Well, that lot had 18 years in power, and they did not do any of them. They never introduced any legislation relating to the funding of political parties: indeed, they refused to let the then Nolan committee even look at the issue. On food standards, they opposed every move that we made in opposition, and they never did anything about freedom of information.

We have had a big legislative programme, last year and this year. This will be a year of challenge. The key themes of the Queen's Speech are modernisation and fairness, so that we can create a Britain that is strong, modern and fair. In the Queen's Speech, we set out how we can do that. The Tories messed the job up; Labour is getting the job done. That is the difference.

Of course it comes as a shock to the Tories to see a Government deliver on their manifesto. After two decades of Tory government, it probably comes as a shock to the public as well, but the fact is that we are delivering. If ever we want a metaphor for recent times, we need look no further than another subject that the right hon. Gentleman did not mention: BSE. The Tories messed it up; Labour sorted it out. The Tories made threats; Labour made progress. The Tories gave us the beef ban; yesterday, a new Labour Government lifted it. That is the difference.

Let us leave aside the fact that the right hon. Gentleman did not mention a single policy area of any serious nature, and examine the legacy that we inherited and what we did. We had boom-and-bust economics and a doubled national debt. We had rising class sizes and waiting lists. In one in five non-pensioner households, no one was working. Britain was utterly marginalised in Europe and the rest of the world. This year, last year's work is paying dividends: the lowest long-term interest rates for more than 30 years; the inflation target now met; the lowest ever corporation tax; unemployment down, employment up; waiting lists and infant class sizes coming down; the biggest ever increase in child benefit; new rules to tackle anti-social neighbours and to cut crime; a special bonus for pensioners with winter fuel; free eye tests; and discount fares on public transport. *[Interruption.]* Conservative Members talk among themselves. They are not interested. When we get on to serious policy, they start muttering among themselves; they do not want to hear it.

As for the cheek of the right hon. Member for Richmond, Yorks about the countryside and about building on brown-field sites, he was attacking us, saying that we were not doing enough. When his Government were in power, 46 per cent. of the building was on brown-field sites; we have raised it to 60 per cent., and we are the party that has invested in rural transport—opposed by his party.

In addition, we have the young people on the new deal: 160,000 of them have passed through it; 30,000 are already in work, as promised. Those are great achievements that we will take forward in this year's Queen's Speech. *[Interruption.]*

Madam Speaker: Order. I can hear too many conversations: I can hear every conversation on my left.

The Prime Minister: Let me see whether I can liven Conservative Members up. Is any one of them prepared to tell us what the Tory position now is on Bank of England independence? Is any one of them prepared to tell us whether they oppose the new deal? Is any one of them prepared to tell us which part of social security spending—apart from the working families tax credit, to which I will come in a moment—they oppose? It is no wonder they are talking among themselves.

Let me deal with the issues that were raised on the economy. The Government are delivering long-term strength. Let us not forget that we inherited a situation where inflation was predicted by the Bank of England to rise above 4 per cent., and where the budget deficit under the Conservatives was £28 billion. We therefore introduced Bank of England independence, followed by new fiscal rules to control and to cut borrowing. We put through the two toughest financial years that any Government have done for a long time, and we did that precisely so that we could sort out the public finances and get the investment into our public services that we need. As a result, even in a downturn, current budget surpluses will be run every year and the golden rule met in full. We will have, even with the additional spending, the lowest borrowing as a percentage of national income of any major European Union country.

There is no doubt that there will be difficult times for business and jobs in the forecast slowdown. We do not hide from that, but we should never tire of drawing the contrast between now and the early 1990s, when interest rates were not, as now, coming down from 7.5 per cent., but were 15 per cent. for a year or more, and 10 per cent. for four years or more; manufacturing output fell by 7 per cent.—over 1 million jobs went in that Tory recession in manufacturing; and unemployment topped 3.5 million.

The reason for drawing attention to the Conservatives' record in the early 1990s is that their policies, in so far as there are any—the right hon. Member for Richmond, Yorks did not give us any, but in so far as one can divine the policies from the shadow Secretary of State for Trade and Industry and the shadow Chancellor of the Exchequer—are precisely to repeat those mistakes: cancelling Bank of England independence, so returning interest rates to short-term political considerations; cancelling the additional spending; and opposing every measure that we took to cut the budget deficit. Every one was opposed by the Conservatives.

Mr. Kenneth Clarke (Rushcliffe): It is very good of the Prime Minister to seek to re-attract the interest of the House.

Every time the Prime Minister seeks to justify having taken measures appropriate to the late 1980s, he cites a Bank of England forecast about the danger of inflation rising to 4 per cent. if these measures had not been taken. Does he not recall that Bank of England inflation forecasts have always been wrong? Does he regard the 4 per cent. as representing a risk of an inflationary boom? Is that the justification for raising interest rates to the highest level in the developed world, causing near recession in manufacturing, agricultural ruin and a slowdown to 1 per cent. next year, on the optimistic forecasts of the Chancellor of the Exchequer?

The Prime Minister: I congratulate the right hon. and learned Gentleman on raising a serious issue—it is probably why he is not the leader of the Conservative party today. At least it was a question on the economy. The right hon. and learned Gentleman may shrug his shoulders at the Bank of England forecast, but I certainly do not. If he was being really honest about it, I think that he would recognise that, when we took office, the budget deficit, at £28 billion, was far too high. Also, a Bank of England forecast going over 4 per cent. meant that inflation was on the way up, while our main competitors had inflation rates of under 2 per cent. That is an unsustainable position. On the exchange rate—with the greatest respect to the right hon. and learned Gentleman—when people realised that interest rates had to go up, the exchange rate went up. The exchange rate is now back down to the level that we inherited from him.

I believe that the only way of getting long-term stability into the economy is to have Bank of England independence. I do not know whether or not the right hon. and learned Gentleman supports that—I am never sure of his position—but I believe that, in the long term, that gives us the best chance of a stable economic policy.

The real point is that we are better placed to weather the storm as a result of the tough decisions that we took. All round the world, the International Monetary Fund, the Organisation for Economic Co-operation and Development and the European Union are downgrading world growth forecasts. The question is how we best meet this economic challenge as a country. I say that we do so by the new and modern rules for Bank of England independence, the new fiscal framework that we have in place and the extra investment that we are making in our public services and productivity.

The centrepiece of the Queen's Speech is the set of measures to improve the health service, our schools and law and order and to reform welfare. The £40 billion for schools and hospitals, which is opposed by the Conservative party, is the biggest increase in investment ever for those two services, but it is part of a deal. The right hon. Member for Richmond, Yorks made no serious mention of the fact—I will—that the money is expressly tied to reforming the way those services work.

In education, we inherited a situation in which 500,000 infants were in classes of more than 30. Under this Government, more than 100,000 children were already in smaller classes from the start of this year. As a result of the measures we are taking, we will ensure that all children in infant schools will be in classes of fewer than 30 by 2001. Nursery education is now available for all four-year-olds, and the £300 million national child care strategy will provide child care for children in every neighbourhood. Again, none of that was mentioned by the right hon. Member for Richmond, Yorks.

The literacy hour has been launched and we will publish the pilot results by the end of the year. We plan the same approach to numeracy. More than 2,000 schools have been given help through the new deal, which was also opposed by the Conservative party. A further 12,000 will be helped soon. Next week, we will be announcing the biggest reform of the teaching profession in 50 years. If we take those measures together with the four education Acts already passed and with specialist schools, the encouragement of setting by ability in different subjects and beacon schools, there will be a real drive towards pushing up standards in primary and secondary schools throughout the country.

Those are people's priorities. We will now have the power to tackle the schools and education authorities that are failing. Also—again opposed by the Conservatives—for the first time in years, education spending as a percentage of national income will increase. That is another promise fulfilled.

I shall now come to the health service and the extraordinary remarks of the right hon. Member for Richmond, Yorks. I take it from those comments that he will oppose the measures that we propose. We have invested the largest single amount in the biggest hospital building programme ever. We have invested £2 billion and £21 billion is coming next year, to tackle waiting lists and improve the national health service. New services such as NHS direct and booking systems for out-patient and in-patient appointments are coming on stream and there is extra investment for cancer treatment. We make no secret of the fact that the NHS Bill will put the final nail in the coffin of the costly, disastrous and bureaucratic internal market introduced by the Conservatives. On the letter that the right hon. Member for Richmond, Yorks read out from a doctor, I should tell him that the British Medical Association supports the proposal. The two-tier health service will go.

[The Prime Minister]

Additionally, the Bill will establish—the right hon. Member for Richmond, Yorks never even dealt with it—a commission for health improvement which, for the first time, will inspect every hospital and have powers to investigate wherever there are concerns about clinical practice. A new national institute for clinical excellence, a demanding framework to measure performance and GP practices, will ensure that best practice reaches into every part of the NHS. The right hon. Gentleman did not say a word about those plans. I do not know whether that silence means that he opposes or accepts the plans, which are central to what the Government are trying achieve for the health service.

Mr. Simon Hughes (Southwark, North and Bermondsey): Much of what the Government plan to do on the health service is welcome. However, I have a few simple questions. Although the Prime Minister seems to believe in democracy in education, and in local government running housing and social services, there will be less, not more, democracy in the health service. Why? Does he accept that there is rationing in the national health service? If so, why are there no proposals for deciding on its priorities? If he does not accept that there is rationing, will everyone be given treatment by the national health service when they need it?

The Prime Minister: The hon. Gentleman's questions are somewhat inconsistent. First, on democracy, primary care groups will increase the ordinary ability of doctors, nurses and others in the health service to ensure that those precise concerns are taken into account locally. Secondly, those people will be best placed to determine priorities in the national health service. The best way of determining priorities is to ensure that we have the best framework, which the Bill will provide. I should also say that the £21 billion extra will transform health care in the United Kingdom. That money is coming into the health service only because, in our first two years, we took the difficult decisions that were opposed by the hon. Gentleman and the Liberal Democrats—which is why we shall continue taking them.

The new crime Bill also was not mentioned by the right hon. Member for Richmond, Yorks. I should have thought that crime was a top priority among the public. We have achieved an immense amount in the past year. Nevertheless, the Bill will help not only to halve the time it takes to get young offenders to court but to put a stop to offenders getting repeat cautions. For first-time offenders, there will be a new discipline and regime of restraints on their activities. There will be new protection for witnesses, and new rules on the treatment of drug offenders.

For all those public services—including the health and police services—there will be efficiency targets to ensure that the extra money is spent wisely.

Taken together, the measures—both the investment and the reform—amount to the largest programme of change in our public services for many years. One of the best things about them will be that, for the first time, people working in those public services can take pride in public service—which the Conservatives constantly undermined when they were in office. Conservative Members now have the chance to renew that commitment to public service under the new Labour Government.

On modernisation of the welfare state, 18 months ago, we had a situation which one in three children lived in poverty, one in five families had no one in work, there was record income inequality among pensioners, and spending was growing at 4 per cent. a year in real terms. We are tackling each one of those problems left to us by the Conservatives—with the new deal; equalisation of single parent benefits; overhaul of the Child Support Agency; greater security for pensioners through a new minimum income guarantee; the biggest-ever recasting of student finance, extending higher education by lifting the cap that the Tories placed on higher education; and rooting out fraud and waste.

In the coming year, with the programme that the right hon. Member for Richmond, Yorks dismissed—I do not think that he spent any time discussing it—we shall embark on the next stage of reform. Our programme will introduce a single gateway into the benefit system, modernise the systems of support for disabled people and for widows and introduce low-cost stakeholder pensions. We shall make work pay for low-income families through the working families tax credit. Moreover, legal aid will be radically transformed.

Each one of those measures is a huge measure of change. Each one of those subjects was ducked when the Conservatives were in office. From his speech today, it was quite unclear whether the right hon. Member for Richmond, Yorks supports or opposes the measures, other than the working families tax credit. If, as he says, he opposes the working families tax credit, is that the only part of social security spending that he opposes? We do not know. Most of the money on social security spending is about pensions uprating, disability benefit uprating and extra child benefit. Are those measures opposed by the Conservative party? We do not know.

The Conservatives oppose the £40 billion, and we assume now that they oppose the extra social security spending. The right hon. Member for Richmond, Yorks shakes his head. I read his article in *The Daily Telegraph* a few days ago. He called our spending proposals "an irresponsible spending spree". I assume that, if they are an irresponsible spending spree, the Conservatives oppose the proposals. Or are they saying that the proposals are irresponsible, but they would introduce them anyway? The Leader of the Opposition cannot have it every way. The Conservatives have been caught on this because they refuse to say where they stand on the key issues. The one thing that they are prepared to say is that they oppose the working families tax credit.

I should tell the Leader of the Opposition that 1.5 million hard-working families will benefit from the working families tax credit. Many of them will gain more than £20 a week. We are doing that in order to help them make work pay. The right hon. Gentleman gave the example of a family with an income of £38,000. Such a family would have to have four children for all of whom they needed child care. There will be families in that situation, but what I say is that, if those people really need that help in order to get to work, the Government should make it easier for them, should help them and should ensure that they get the support that they require to support their own family. In each of our welfare reforms, we are giving help to those who need it. It is fair reform and change. It is modernisation of our system. On each of our proposals, the Conservatives either have nothing to say or are opposed to it.

We also propose several measures to promote social justice and fairness, including fairness at the workplace, with new rights for individuals. They are rights to be exercised by union members. Ordinary workers will get the say as to whether they are represented by a union. We will promote fairness for disabled people, with a new disability rights commission. We will promote fairness under the law, with greater access to justice. We will promote fairness for those seeking asylum, with faster, tighter, more just procedures. We will promote fairness for all households paying their water bills, with new legislation that will keep down prices.

Yes, we do believe that it is important that the House of Lords is reformed. We believe that it is important because we believe that it is important to deliver on the pledge that we made to end the right of hereditary peers to sit and vote in the House of Lords. The Leader of the Opposition called it an independent body. Let us examine this independent body that we have.

Mr. Dennis Skinner (Bolsover): It is his focus group.

The Prime Minister: From the policies that the right hon. Gentleman is espousing, I think that it probably is his focus group. The House of Lords is dominated by the 750 hereditaries. The vast bulk who take the Whip take the Tory Whip, with the result that in our bicameral system, the Houses of Parliament, one House is in the permanent hands, in perpetuity, of one party—the Tory party. That may suit the interests of the Tory party, but it does not satisfy the interests of the country.

Look what the Leader of the Opposition says about the House of Lords, this independent representative body. Out of 750 of them, there is one black and one Asian and there are 14 women. How can the Tories seriously say that that is representative? Almost half the 750 went to Eton. I have nothing against people going to Eton—

Sir Norman Fowler (Sutton Coldfield): Or private schools.

The Prime Minister: Or private schools, no, but we were elected; that is the difference. For the Leader of the Opposition to make support for the hereditary peers the centrepiece of his attack on the Government only indicates, I am afraid, that whatever the jokes and the debate, when it comes to the issues of big strategic judgment, he gets them wrong every single time.

What is more, we have made it clear that no party, whatever its view, will have an overall majority in the House of Lords. A strong, independent Cross-Bench element will be preserved. We are suggesting the first change to the sole right of the Prime Minister to recommend life peers. Before the royal commission—which will have a time limit—is established, we will set out as the Labour party our submissions about what the final stage of reform should look like. We will let other parties do the same. The more that can be done by consensus, the better. It is time to end the feudal domination of one half of our legislature by the Tory party, which claims a divine right to govern Britain and makes a hash of it every time that it does.

Mr. Nicholas Winterton (Macclesfield): How many times during the 18 years of Conservative Government did the House of Lords defeat the Government? What is the difference between a life peer appointed by the Prime Minister or by the Labour party, with the Whip, and a hereditary peer, who at least is independent?

The Prime Minister: As I keep saying about independence, the vast bulk of the hereditary peers are Tories. Those are the people who turn up. The hon. Gentleman suggested that the House of Lords used to defeat the Conservative Government as much as it defeats the Labour Government. That is emphatically not the case, I am afraid. In the past Session, the Lords defeated the Labour Government about three times more often than they defeated the Tories. They always do that. In any event, a system in which one part of the Houses of Parliament is perpetually in the ownership of the Conservative party cannot be justified. That is the position that the Conservatives stand for and it cannot be right. It is certainly the only policy on which the Leader of the Opposition evinced any real passion. If the Conservatives wish to make that the centrepiece of their opposition, let them.

I join the right hon. Gentleman in his remarks about Northern Ireland and about the right hon. Member for Upper Bann (Mr. Trimble) and the hon. Member for Foyle (Mr. Hume). In particular, I thank the right hon. Member for Huntingdon (Mr. Major) for starting the peace process. I strongly support what they have done and pay tribute to all those who have been involved in the process to bring about a lasting settlement in Northern Ireland. That includes my right hon. Friend the Member for Redcar (Marjorie Mowlam).

We still face a difficult challenge. We shall never forget the people of Omagh and the suffering imposed on them by the terrorists. We shall ensure that the whole of the agreement is implemented in full. That is the position that we have taken throughout and we have to carry on with it. We shall not rest until we have a lasting settlement in place in Northern Ireland. I ask for the support of the whole House in trying to bring that about. That cross-party support has been important and will continue to be so.

I mentioned—*[Interruption.]*

Madam Speaker: Order. I have heard many comments from sedentary positions today and I think that we have had enough.

The Prime Minister: I mentioned the strategic errors of judgment of the Leader of the Opposition earlier. Perhaps I can now deal with Europe. The lifting of the beef ban is important in its own right, but let us be clear; it has been achieved only because of a new and different relationship with Europe. We are engaged, succeeding and getting results for Britain. In the coming year, we have to continue to focus on the programme of economic reform, the need to make subsidiarity a reality, pushing forward the negotiations for enlargement and taking forward the debate in Europe on a common foreign and security policy and our defence capabilities.

Whatever the siren calls of the Opposition, we shall continue to prepare for the euro. There are only two intellectually coherent positions on the euro. One is to believe that there are overwhelming constitutional reasons against entry, which means opposing entry for ever.

[The Prime Minister]

That is the position of a good part of the Conservative party, including its shadow leader, the former Defence Secretary.

The other argument is that the constitutional arguments are not overwhelming and the decision should based on the UK's national economic interest. That is the Labour position. The Conservative party's official position—that we should be against entry for 10 years or two Parliaments or whatever is the right hon. Gentleman's position of the day—is ridiculous. Either the constitutional objections are overwhelming or they are not. The right hon. Gentleman's position is determined not by logic or reason, but by the divisions in the Conservative party. That is the burden that this country carried for the last years of Conservative Government. The right hon. Gentleman mentioned party funding. The Conservatives are led—and, as his rather incomplete party accounts show, funded—by those who want to drive Britain ever further to the margins of Europe. I believe that to be a betrayal of our true national interest. It is no surprise that the right hon. Gentleman did not dwell on it in his speech, but it is an important subject. He should go away and think less about his lines and more about the serious topics of the day.

Mr. Giles Radice (North Durham): I congratulate the Government on their position on the euro. Did my right hon. Friend note that, yesterday, 100 leaders of Britain's top companies—which represent a quarter of this country's gross domestic product—called for entry into the euro sooner rather than later?

The Prime Minister: Yes, I certainly did notice that. Our position is that there must be sustainable economic convergence in order to ensure that entry is in our interests. We set out that position in our manifesto and hold to it.

I agree strongly with my hon. Friend the Member for North Durham (Mr. Radice) and the signatories to the letter that we cannot pretend—as the Conservatives do—that the issue will go away. The euro will exist from 1 January next year and will have an enormous impact on British business, whether we are in or out of it. Some companies and people will use it and, in all probability, some shops will accept it. It is vital that we prepare our country for the euro, and that is what we are doing.

One more Bill is worthy of note. Indeed, in time, it may have as great an impact as any we debate today—although I bet that it will not merit much attention in tomorrow's press. We are in the midst of an industrial revolution that will take two decades, not two centuries, to complete. The internet is setting the pace. It is the fastest spreading technology ever. It is growing exponentially—literally—with use doubling every 100 days.

It is the new electronic market for airline tickets, insurance and even for household goods. Last year, just three companies generated £2 billion in sales from the internet. It is predicted that, within five years, electronic commerce could be worth more than £300 billion. The internet is literally transforming industries. It may be commonplace to discuss this revolution, but it is not yet common for Governments to have a strategy for dealing with it. Britain does, and it is part of our vision for this country's future: to build an economy that is based on knowledge, creativity and skill rather than on competition for low wages, low skill and low technology.

We will take three steps towards making this country No. 1 in the area of electronic commerce. First, we will introduce an electronic commerce Bill in this Parliament. Our historical strength as a trading nation was based on our framework of commercial law. We need to put that legislation in place as fast as possible in order to boost that new market in Britain.

Secondly, we will invest in skills. Every school will be connected to the internet, every teacher will have the chance to receive training, and in the next few years every child should be able to leave school IT literate. They are huge advances for our country.

Thirdly, we will invest in creativity. We are putting £1.4 billion into scientific research through the new public-private partnership. We have delivered the greatest ever increase in arts funding—right in itself, but also an investment in the creative industries.

Britain is well placed: English is the language of choice of nearly two thirds of those on the internet. We will set out further strategies for this knowledge-driven economy in the competitiveness White Paper. We no longer need in this country a false choice between new and old industries, between manufacturing and services. There is a new economic discipline based on competition, competence and creativity—the three Cs of the knowledge economy. That is proof that the Government are delivering on this country's future, and that is an issue about which the right hon. Gentleman said precisely nothing.

Mr. Norman Baker (Lewes): Before the Prime Minister sits down, will he mention the word "environment"? It has not yet appeared in his comments today and does not appear until seven lines before the end of the Queen's Speech. Does he accept that the Queen's Speech is a bitter disappointment to those who expect the Government to make a commitment to the environment?

The Prime Minister: It certainly should not be. I have already mentioned the environment in my comments about brown-field sites. The hon. Gentleman will know that this country and my right hon. Friend the Deputy Prime Minister have played a leading role in both Kyoto and Buenos Aires in putting environmental issues on the agenda. The hon. Gentleman will know also that my right hon. Friend the Chancellor of the Exchequer introduced a series of measure in his Budget that are designed to improve environmental technology and to help protect the environment in Britain. The Government are using the new deal to implement energy conservation programmes the length and breadth of the country. All those measures are opposed by the Conservative party, but the Liberal Democrats cannot say that we are not doing anything for the environment. [HON. MEMBERS: "Not enough."] They always say that it is not enough. At every stage we are delivering on our promises. At every stage we are putting in place a framework for stable economic growth, the revitalisation of our public services, the modernisation of our welfare system, a modern constitution and a re-engagement by Britain in Europe and the rest of the world. Of course, all that takes time, but at every stage we are trying to prepare Britain for the challenges of the 21st century.

At each stage those proposals have been opposed and attacked by the Conservative party as it retreats ever further rightwards. Now, during the debate on the Queen's Speech, we know that Conservative Members oppose Bank of England independence.

Mr. John Maples (Stratford-on-Avon) *indicated dissent.*

Mr. John Redwood (Wokingham) *indicated dissent.*

The Prime Minister: Conservative Members are shaking their heads. The shadow Secretary of State for Trade and Industry appears not to oppose Bank of England independence, but a few months ago, he said:

"We opposed the Bank of England Bill in the House of Commons . . . I and my colleagues warned about the dangers of what the Government was proposing."

I had not understood that, in today's Tory party, that is a statement of support. Are Conservative Members opposed to Bank of England independence?

The speech of the right hon. Member for Richmond, Yorks did not deal with that issue or with our £40 billion extra investment, which Conservative Members have called reckless and irresponsible. The right hon. Gentleman did not mention social security spending on child benefit. We know that Conservative Members are opposed to the working families tax credit, but what is their position on the rest of our programme? We simply do not know. We assume that they oppose it because they accuse us of spending recklessly and dangerously. Conservative Members have opposed the new attitude towards Europe, and every constitutional change. They have absolutely nothing to say on the issues of moment to the people of this country. On the economy, they are illiterate. On schools, hospitals and crime, they are silent.

Today, the dividing lines between the Conservatives and Labour became clearer. The Government have policies for Britain's future; the Tories are stuck in the past. The Government promote fairness for the many; the Conservatives defend the privileges of the few. The Government have the direction and purpose that the country needs; the Tories are drifting aimlessly. New Labour is facing up to the country's serious problems; the Tories are without a clue about what those problems are, never mind how to confront and overcome them. We have a Tory party on the road to nowhere and a new Labour Government delivering our promises. That is the difference between the two parties following the Queen's Speech.

From the Opposition we have heard jokes and debating points but not a single, serious remark on a single, serious policy. When Conservative Members engage in such opposition, we know that on the big issues of the day—jobs, the economy, industry, crime, hospitals and schools—they have lost the argument. That is the real reason why they lost the election. They are still in denial about that. That is why they want the other place, with the in-built Tory majority, to try to win back power for them. They lost the election because they were out of touch and took the wrong turnings for the country.

This Government were elected and have public support precisely because we are delivering on the basic tasks that the country set us: basic modernisation of our schools and hospitals, delivery of the economic framework for stability and essential fairness such as the minimum wage, the working families tax credit, help for poorer pensioners and the new deal for the young unemployed, which has cut by over 30 per cent. unemployment among young people who have been unemployed for more than six months. Those are the people's priorities. That is the people's agenda. By having nothing whatever to say about that, the right hon. Member for Richmond, Yorks has shown why neither he nor his party will be the people's choice.

4.20 pm

Mr. Paddy Ashdown (Yeovil): I begin by—*[Interruption.]*

Madam Speaker: Order. Will Members who are leaving please do so now, quickly and quietly?

Mr. Ashdown: I begin by joining the Prime Minister and the leader of the Conservative party in paying tribute to Gordon McMaster and Sir Michael Shersby. They will be greatly missed in the House, and I can add nothing to what the right hon. Gentlemen have so eloquently said about them. As tradition and pleasure require me to do so, I also join in congratulating the hon. Member for Bassetlaw (Mr. Ashton) and the hon. and learned Member for Edinburgh, Pentlands (Dr. Clark) on their speeches today—one speech from a very old hand, the other from a very new one.

As the hon. Member for Bassetlaw reminded us, he has been here a long time, and he has had a great deal written about him. The leader of the Conservative party drew our attention to words written by Matthew Parris, who described the hon. Gentleman as the editorial column of the *Daily Mirror* on earth in human form. He went on to say that for the hon. Gentleman

everything is a disgrace; everything is the Tory Government's fault, everything ought to have something done about it; and everything can be expressed in one-line sentences".

I thought that the hon. Gentleman's speech was one of the best that I have heard in these circumstances. It was amusing and very typical of him.

Of course, other, more generous, things have been written about the hon. Member for Bassetlaw, which describe him as

"The voice of the people, commonsense . . . and all that is decent";

"Bright, shrewd, rooted and realistic".

In the spirit of non-tribalist, constructive opposition, I prefer those descriptions to the former.

The hon. and learned Member for Pentlands has a justifiable reputation outside the House but has not yet provoked such judgments for her performance inside it. I have no doubt that she will. I am happy to congratulate her on her speech, and I hope that I have the privilege of hearing more of the same sort in future.

This is the 10th Queen's Speech to which I have responded on behalf of the Liberal Democrats—[HON. MEMBERS: "Plenty more to come."] What loyal colleagues they all are. It is, in many ways, one of the most difficult Queen's Speeches to which to respond. There is much that the Government have done, and intend to do, which we support and on which we have worked with them,

[Mr. Ashdown]

but there is also much in this programme for the next year that falls short—in some cases, far short—of what we would wish.

The Government tell us, in almost the first line of the Loyal Address, that their aim is the modernisation of Britain, and the Prime Minister used the word "modernisation" a great deal in his speech. I agree with that. I remember talking about it 10 years ago, and I am delighted that the Prime Minister has now taken up the same language. We support that aim and applaud the scale of the ambition that lies behind it.

The Government have told us elsewhere that they want to go down as one of the great radical reforming Governments of this century, on a par with the radical reforming Governments of 1906 and 1945 and—yes, in their way—of 1979 as well. We hope, too, that that is how they will be judged, for Britain needs a truly radical Government of change if we are to be in a position to face the challenges of the new century, which is now only a year and a handful of days away.

Governments must be judged not by what they say, but by what they do. One knows what they will do more by the mid-term years than by the first flush of their post-election Queen's Speech or the carefully manipulated programme of their last, pre-election one. If this Government are to achieve their ambitions for change, it ought to be in this Queen's Speech that we see them clearly set out. I am bound to say that, from what I have seen and heard so far, I cannot do so. The great reforming Governments of this century had three key qualities. They were clear about what they wanted to do, they were determined to do it, and they were prepared to be unpopular on the big issues in order to succeed. In this Queen's Speech I cannot see either the programme or the determination and willingness to take the necessary risks to match the Government's achievements to their laudable rhetoric.

Mr. Skinner: What is wrong with popular policies?

Mr. Ashdown: That is not to say, to answer the hon. Gentleman, that there is not much with which we can agree, such as the proposals for a Greater London Authority. The Prime Minister was also absolutely right to refer to trading in the new technology market. We also support the principle of the working families tax credit, the need to improve financial regulation, and the importance of raising standards and status in teaching.

We support some proposals in the Government's programme with enthusiasm—a university for industry, a disability rights commissioner, and a chance to vote, at last, on an equal age of consent, to name three. In other areas, we shall continue to work constructively with the Government, such as on the completion of the constitutional agenda, especially the reform of the House of Lords. Who knows, perhaps we shall also work constructively with the Government on European issues, such as the formulation of a common foreign and security policy—if the Prime Minister is serious about that.

We shall, however, oppose some proposed items of legislation—and vigorously, if necessary. We shall oppose vigorously some of the legal aid proposals if they deny access to a genuinely independent defence. We shall also oppose some of the Government's asylum proposals which threaten to act as a deterrent to genuine asylum seekers or which prolong the destitution and unnecessary suffering created by the previous Government's policies.

Overall, it is not what is in the Queen's Speech that worries me; it is what is not in it. My hon. Friend the Member for Gordon (Mr. Bruce) was right when he said that the Queen's Speech kicks so much off the field that, after it, there will be standing room only in the long grass. Too much that ought to be done now is being held over for another time—increasingly, not just for another time, but for another Parliament.

Six great themes comprise the modernisation programme to which we on the Liberal Democrat Benches are committed and to which the Government claim to be committed, too. They are the modernisation of our constitution, our welfare system, our economy, our relations with Europe and our public services, and the modernisation of our relationship, both as individuals and as the state, with our natural environment. If the Government are to achieve their aims, we must see clear and distinctive progress in this Session on each of those key areas. There are clear markers in each against which the Government will be judged.

On the constitution, the Government have already achieved a great deal—but there is much more yet to be done before the locked-together constitutional reform programme is complete. There must be an early return of the European Parliamentary Elections Bill, and a clear and fixed determination to drive it through in time for June's elections—however long their lordships must sit. The Conservatives' obstructionism and the votes of hereditary peers must not be allowed to overturn the wishes of the British people, two thirds of whom voted last year for proportional representation at next year's European elections.

Mr. Hague: They did not vote for closed lists.

Mr. Ashdown: The leader of the Conservative party mutters about closed lists. Let us test his sincerity on the matter. When an amendment was tabled in Committee in the House of Lords proposing open lists, did the Conservatives vote for it? Not a single one did so. What is more, the Conservative spokesman who opposed that amendment described what they have now taken us to war over as manifestly unfair. That is rank hypocrisy on the Conservatives' part. There are no other words for it. In now pretending that they will make an issue of something that they could not even support earlier, they are deliberately seeking to use the hereditary peers to overturn the wishes of the British people in the ballot box, two thirds of whom voted for proportional representation. That is the standard to which the Conservative party has now sunk. It uses a constitutional impropriety to overturn the will of the people. This issue is again one of the peers against the people. There is no other way to look at it.

Mr. Peter Bottomley (Worthing, West): That is the right hon. Gentleman's description of the past. In this Session, when the Bill comes back, will he ask the Prime Minister to accept open lists?

Mr. Ashdown: Exactly so. The hon. Gentleman obviously does not have a command of the procedures of

the House. He cannot have such a command. The Bill has to come forward in its present form or the ultimate resource of the Parliament Act 1911, which has to be invoked to take it through, cannot be used. I am surprised that the hon. Gentleman does not even know that.

If the Bill comes back in a changed form, the Parliament Act cannot be used. If the Conservatives are about to say that they will give the Bill passage—

Mr. Oliver Heald (North-East Hertfordshire) *rose—*

Mr. Ashdown: Is the hon. Gentleman about to say that the Conservatives will give the Bill passage? Is the hon. Gentleman about to say that?—[HON. MEMBERS: "Give way."] No. The question has already been answered. If any Conservative Member would like to come to the Dispatch Box or anywhere else to say that the Conservative party will give the Bill passage, I think that we would be prepared to listen. If Conservatives are not prepared to say that, the Bill must take its course through this House and the House of Lords. We shall see whether the Conservatives, once again, will stand against the will of the people and use the hereditary peers to do so.

Mr. Hague: If an amendment is made to the Bill to provide for open lists, the Conservative party will not oppose the measure in this Session. Will the right hon. Gentleman ask the Government to bring in open lists in line with the policy that his party has always pursued in the past?

Mr. Ashdown: I note that the right hon. Gentleman has changed his tack. The question is whether we are prepared to allow hereditary peers to overrule the wishes of the people and the wishes of the elected Chamber. I am not prepared to put into position a case where we ask the hereditary peers to overturn the wishes of the House. That would be constitutionally improper and I am surprised that the right hon. Gentleman proposed it.

Mr. Nicholas Winterton: Please, Prime Minister, give the right hon. Gentleman a job.

Mr. Ashdown: I move on to the question— *[Interruption.]*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. Please be quiet, Mr. Winterton.

Mr. Winterton: Why?

Mr. Deputy Speaker: Because a Member is addressing the House. That is why I ask the hon. Member for Macclesfield (Mr. Winterton) to be quiet.

Mr. Ashdown: It is scarcely surprising that the Government and the rest of the country welcome the proposed reform of the House of Lords. If there was any doubt about the necessity for this reform, there can be none now as a result of what has happened over the past few weeks. Surely there can be no place in a 21st-century Parliament for people with 15th-century titles and 19th-century prejudices. We shall support the Government in the abolition of the sitting and voting rights of hereditary peers. We shall urge them to make early progress on setting their plans and a timetable for the second stage of reform. To fail to do so would be to give unnecessary ammunition to those who seek to defend the otherwise indefensible.

The Government have announced the establishment of a royal commission. We welcome that. However, its work should be time limited and it should report no later than the spring of the year 2000.

We have also been promised a draft freedom of information Bill. That much, at least, is good. But when? The right hon. Member for South Shields (Dr. Clark) told us last week—he should know—that his Bill has been in preparation for 18 months. So what is the delay? If the publication of that draft Bill is held up beyond the first weeks of next year, the suspicion will grow that the Government are involved in not the delivery of a manifesto promise but its emasculation.

I remind the Government that the new arrangement for carrying over Bills commences in this Session. So there is nothing to stop them introducing freedom of information legislation in the summer, if they wish, and carrying it over to the next Session if they run out of time. We would wish the Government to make a commitment that, if there is time in this Session, the freedom of information Bill will be introduced.

Modernising our welfare system is the second key declared aim of the Government's programme this year. The scope of the Bill to be presented is wider than many, including ourselves, had anticipated. We welcome that if it means a more comprehensive approach to welfare reform. However, the devil will be in the detail, and judging by the detail pre-leaked to the press, much is sketchy, some is worrying, and almost none has been subject to consultation so far.

One item that has been the subject of discussion is stakeholder pensions. We are glad to see that included—or perhaps I should say re-included—in the Government's programme, but that leaves unanswered the big question: are stakeholder pensions to be optional, as we hear, or are they to be universal? In this country 27 million people face the prospect of hardship in old age because of underfunded pensions. There is only one way to solve that—by making second-tier pensions universal. Are the Government prepared to grasp that nettle, or will they duck the issue, as we have heard so far?

On the economy, the key, as the Prime Minister said last week, is stability—how to create it and how to preserve it. The Government have made good early progress towards monetary stability by granting independence to the Bank of England last year, as we have long recommended. Good, but are they prepared to back that up with the measures necessary for fiscal stability and exchange rate stability?

Next year will be tough for the economy, especially for manufacturing and for manufacturing employment. The question that the Government must answer is whether they are prepared to hold their course, as they have said they will, and whether they can sustain their commitment to the golden rule when the economy gets rougher and the decisions get a lot tougher. Crucially, will the Government now give the lead that the country so desperately needs on the issue of the single currency—adopting a declaratory policy, setting a target date for joining and pursuing a policy that enables us to do that?

[Mr. Ashdown]

That is not, as the hon. Member for North Durham (Mr. Radice) pointed out, just a matter of the enthusiasm of the Liberal Democrats. There is now a wide view across industry that what the country needs is a lead. Only yesterday, as the hon. Gentlemen noted, 114 senior business people, including the leaders of 20 of the FTSE 100 listed companies, issued a statement calling on the Government to give the lead on the euro that they and the country are calling for.

The position that the Prime Minister has adopted is no different from that of his predecessor. We sit on the fence. We do nothing. We wait until the time is ripe. That is the old formula for a lack of leadership, rather than giving the country a clear direction. I understand that it would mean taking a risk—perhaps even a risk with some of the Prime Minister's newspaper-owner friends, but that is what leadership is about. It means giving the country a clear lead on a big issue. The Government are failing the country when they fail to do that.

Mr. Ben Bradshaw (Exeter): Does the right hon. Gentleman agree that there is a crucial difference between this Government's policy and that of the previous Government? Theirs was against, in principle; ours is in favour, in principle. Theirs was wait and see; ours is prepare and decide.

Mr. Ashdown: I strongly welcome that. It should make it all the easier for the Government to come clean and set the lead. I have no doubt that that is what they believe and that is the direction in which they are going, but they cannot lead the nation by stealth. They must make sure that they set a direction for the country. In so far as the Prime Minister and his Government agree with the hon. Gentleman and me, I find it perplexing and bewildering that they cannot set that lead. I can put it down only to timidity on the issue, which I think is not the characteristic for which the Government would want to be recognised.

Mr. Skinner: The right hon. Gentleman does not understand. We fought an election on the issue, and we got a massive majority. I know that my right hon. Friend the Prime Minister reads the manifestos and studies them carefully. I do the same. I made a few alterations, but he has to stick to the overall new Labour manifesto. I expect him, as an honourable man, to carry it through. All the wailing and whining from the leader of the Liberal party, who is desperate to hang on to his job, will not change my right hon. Friend's mind.

Hon. Members: Give him a job.

Mr. Ashdown: The Prime Minister should give the hon. Gentleman a job. It would be useful. It might show whether they were still fighting on the same manifesto. I suspect that there is a vast difference between the two.

To be fair, the Government's manifesto was that they would decide according to the nation's interests. Fine. I know of no cogent case in support of the country's future interests which requires us not to join a single currency. That is evident now. If the Prime Minister would like to describe circumstances which he can foresee in which he will take a decision not to join, I will agree that he should sit on the fence and look longer. But I do not believe that such a case can be made.

On the public services, the Government's flagship Bill in this Session will be one to restructure the NHS—again. To be fair, what the Government plan is a vast improvement on the Tories' legacy. But, as my hon. Friend the Member for Southwark, North and Bermondsey (Mr. Hughes) said earlier, they have missed the chance to make the NHS more democratically accountable—to its public, not to its professionals—and to give all, rather than just a few NHS professionals, a greater stake in their service. They have also missed their chance for the most important restructuring of all—the integration of health and social services, which would have been well worth while.

The Government have ducked the central health issues, what one might call the "r" words—recruitment and retention of staff; how to raise funds for the NHS and, most crucial of all, the question, again raised by my hon. Friend the Member for Southwark, North and Bermondsey, of rationing. Unless we are prepared to face up to the issue of rationing in the NHS, we will never resolve the underlying question of the underfunding of the NHS. The longer we duck that question, the longer we shall fail to resolve it.

Mr. Geraint Davies (Croydon, Central): Will the right hon. Gentleman give way?

Mr. Ashdown: If the hon. Gentleman will forgive me, I shall make a little more progress. If he seeks to intervene later, I shall be happy to consider that.

The final key area in which a modern Britain would look for action from the Government is that mentioned by my hon. Friend the Member for Lewes (Mr. Baker)—the environment. In many ways, that is the most disappointing and depressing omission from the programme. The Government are fond of Green Papers, but they are less fond of genuinely green policies.

The Prime Minister, introducing his first Queen's Speech 18 months ago, promised to

"put concern for the environment at the heart of policy making".—[*Official Report*, 14 May 1997; Vol. 294, c. 68.]

It now appears that that was the same heart his predecessor put us at in relation to Europe. Eighteen months later, there has been no significant legislation to back up those words. From the look of this Queen's Speech, there will be none in the next 12 months either.

There are no energy efficiency measures to build on what we have. There is no progress towards green taxation and nothing to protect wildlife. Above all, there is nothing to reduce the number of cars on the road. During last year's election, Labour promised that it would

"reduce and reverse traffic growth".

Mr. Skinner: That is the right hon. Gentleman's party's policy.

Mr. Ashdown: It is the Prime Minister's party's policy. In June last year, the Deputy Prime Minister confirmed that when he said that he would

"have failed if in five years' time there are not . . . fewer journeys by car."

"Hold me to it," he said—strong words. Unfortunately, the Government's transport White Paper now meekly hopes only

"to reduce the rate of traffic growth".

The aim of reducing traffic has been converted into reducing the rate of the increase in traffic. Faced with their promise to reduce and reverse traffic growth, I fear that the Government have simply reduced and reversed their transport policy.

The Deputy Prime Minister—I say this in his absence—has, to the surprise and delight of many, including me, gained a growing and deserved reputation for being serious about the environment. He is widely admired and respected abroad for that. But he is not, it seems, sufficiently trusted by his Government to introduce a single piece of nationwide legislation on the environment which could make a reality of his brave words in foreign conference halls from Rio to Buenos Aires.

I may be wrong. I am eager to be proved so. Perhaps the Government will do something about it. Here are two markers for making the final judgment. Will the Government now address the problem of road traffic growth with the seriousness that they promised at the election? We shall wait and see. Will they, when it comes to the Budget, finally grasp the nettle of environmental taxation so that we can begin taxing what we do not want, such as pollution and resource use, rather than what we do, such as income and wealth?

Mr. Geraint Davies: The right hon. Gentleman will recall a document entitled "Moving ahead", passed at a Liberal party conference, which suggested that personal income tax allowances be changed from £4,195 to £10,000, costing the country some £29 billion. Would he have liked to see that change in today's Queen's Speech? Would he have raised that £29 billion from an environmental tax, and, if so, how?

Mr. Ashdown: The answer is yes. We believe that that could be done during two Parliaments, and that taking taxes off the things that we want more of, such as wealth and jobs, and putting them on to the things that we want less of, such as pollution and the use of finite raw materials, would generate large sums of money which could be used to reduce taxation, particularly thresholds. Our judgment—not particularly radical, rather conservative—is that during two Parliaments it would be possible to achieve precisely what the hon. Gentleman has referred to in our policy document.

This is a Queen's Speech for a busy year. But leaving aside the measures on the other place and on welfare, we shall be busy doing chiefly small things because too many of the big things have been ducked. The reform of the House of Lords is radical and necessary, but it is not an excuse for the exclusion of other matters which should be tackled now if the reforms to which the Government say they are committed are still to be achieved in this Parliament.

For the second Queen's Speech in a row, the Government are still consulting on legislation on freedom of information. Legislation on a strategic rail authority is still not quite ready. A food standards agency—a top priority for restoring confidence among consumers and producers—is still, apparently, in a legislative no-man's land.

We have no difficulty in supporting the Government in many areas, and in working with them where we agree. We share many of their declared ambitions, but we regret the slow pace which has been set by this Queen's Speech and that so much of the Government's programme has been kicked into the long grass. We regret the caution in the Queen's Speech and, in time, the Government will regret it too.

We would never have had Nye Bevan's NHS, or Beveridge's welfare state, or Lloyd George's old-age pensions, if those Governments had been as timid as this Government are now. They succeeded because they were prepared to take risks, including, sometimes, with their own popularity. The Government are putting their success at risk because they are too timid. They are considering too much how they will survive the next election and too little the long-term good of the nation beyond that.

We fear that, by the end of this year, too much that ought to have been done will have been left undone, and too many Bills will be standing in the long grass waiting to be completed, waiting for a different time and perhaps even for a different Parliament.

4.49 pm

Dr. David Clark (South Shields): I am glad to have caught your eye, Mr. Deputy Speaker, and to join in the debate so ably opened by the mover of the Address, my hon. Friend the Member for Bassetlaw (Mr. Ashton), and seconded by my hon. and learned Friend the Member for Edinburgh, Pentlands (Dr. Clark).

I have known my hon. Friend the Member for Bassetlaw for almost 30 years. His contribution was typical of him: it was witty and down to earth and, in a sense, it epitomised him in that he is the epitome of common sense. He truly represents his Bassetlaw constituents.

I do not know my hon. and learned Friend the Member for Pentlands as well as I know my hon. Friend the Member for Bassetlaw. I have visited her constituency—I join her in acknowledging the beauty of that part of Edinburgh—and I was impressed by the forward-looking, progressive approach that she and her constituents had to affairs of state. I have been cross-examined by her in a Select Committee: she showed her forensic skills, and got to the core of the problem in the way she did when she seconded the Address. I look forward to hearing her speak in future.

The right hon. Member for Yeovil (Mr. Ashdown) made a good speech, although he got carried away a little bit in his peroration. He talked about timidity, but he has not taken on board the problems that the Government face.

I find myself in rather a strange environment. This is the first time for a decade and a half that I have spoken from the Back Benches, and I was rather cruelly reminded of that by my local paper, *The Gazette*, which is the oldest provincial evening paper—and the most important paper—in the country. When I asked my right hon. Friend the Prime Minister a question a couple of weeks ago, *The Gazette* ran the story and introduced it topically by saying, "Last time our Member of Parliament asked a question from the Back Benches, Alan Shearer was still at school." That brought it home forcefully to me, but here I am.

Most of my years as a Front Bencher were spent on the other side of the House, preparing for a Labour Government. I do not believe that those years were

[Dr. David Clark]

wasted, and I have certainly not been disappointed by the first 18 months of the Labour Government. There have been many active, radical and progressive measures—more than 50 Bills—and I look forward to many more in the years to come.

I shall follow the path of the right hon. Member for Yeovil and try to compare the progress of the Government with that made by the other two radical, left-of-centre Governments of this century, although it is difficult to do so after only 18 months and we should perhaps take a raincheck on it.

Those Governments were returned by landslide—in 1906, as the right hon. Gentleman said, and in 1945. I see obvious parallels. As my right hon. Friend the Prime Minister made clear, the first is welfare reform. In the early years of this century, that first radical, Liberal Government were dealing with only the basic requirements of the welfare state, although that is perhaps too grand a title for it. A lot of Bismarckian concepts were accepted within our system, but that was a way forward and it was probably epitomised by old-age pensions, which were introduced in that period.

I think that everyone accepts that the 1945 Government laid the groundwork for a complete change in the relationship between society and the citizen: we had the welfare state, the national health service, pensions, national insurance and a raft of measures which served us well for the best part of 40 years. It is interesting that my right hon. Friend the Prime Minister greatly emphasised the fact that one of the present Government's flagships would be welfare reform, based, as the Queen's Speech says, on

"clear principles of work, security, fairness and value for money."

That is right.

The Government are trying to expose our unhealthy dependency on the dependency culture. The Queen's Speech refers to the stakeholder pension, the working families tax credit—I am disappointed and saddened that the official Opposition have said that they are opposed to those—the disability rights commission and a range of changes in the welfare system. That must be right.

The other common factor, which has tended to dominate the debate today, is reform of the House of Lords. It is uncanny how history keeps repeating itself, and it is uncanny that that first radical, Liberal Government of 1906 ran into trouble with the other House; indeed, the position was the people versus the peers. The two general elections in 1910 culminated in the Act of Parliament that finally cut the Gordian knot—the Parliament Act 1911.

History repeated itself under the 1945 Government—a radical, Labour Government were frustrated by the other House. They had to use the legislation of the previous radical Government—the 1911 Act—to achieve the Parliament Act 1949. Here are we in 1998: in 1999 or 2000, we shall have, in effect, another Parliament Act or House of Lords reform through the invoking of the 1949 Act. That has got to be right. In my judgment, it is impossible in a modern society to defend a legislature that is based partly on the hereditary principle. That is anathema to democracy and an anachronism which cannot sit comfortably in the new millennium.

Mr. Andrew Robathan (Blaby): The right hon. Gentleman will agree that, if there is to be a bicameral Parliament, as we have now, the second Chamber will have to be in some way effective and in some way independent. For all its faults—I willingly accept that it is imperfect—the House of Lords has a degree of independence. Hon. Members laugh, but it is painfully obvious that it has a degree of independence in that it voted against the Conservative Government a great deal in the previous 18 years.

The right hon. Gentleman is an intelligent and sensible man. Does he believe that it would be an improvement on the current situation to have purely nominated peers sitting in a second Chamber—which would be unreformed, apart from getting rid of the independent element—and to have a Chamber resting solely on the patronage of the Prime Minister?

Dr. Clark: One of the weakest points made by the right hon. Member for Richmond, Yorks (Mr. Hague) was his attempt to claim that the House of Lords was independent. I find that incomprehensible, and I believe that 99.9 per cent. of the British people would do likewise. If the hon. Gentleman reads the Gracious Speech, he will see reference to a royal commission. He will have heard my right hon. Friend the Prime Minister refer to the fact that he would seek consensus wherever he could, to try to achieve agreement about a reformed second Chamber. That is the way forward.

The hereditary peers in the House of Lords are the antithesis of what drives the Government—modernisation. It is clear that, if we are to equip our country and ourselves for the new millennium, we must modernise many of our institutions and approaches. One might argue that the Government were elected on the theme of regeneration—the economic, social and democratic regeneration of our country. That was the right approach, and it was endorsed by an overwhelming number of constituencies, which is why the Government have a majority of 179.

It is a matter of regret that so many Opposition Members still have not realised that the British people yearn for modernisation of our country so that we can play our part in the world. If we are to modernise our country, we must modernise our attitudes, our culture and some of our institutions. A key cultural change which needs to be made is that of the Government's relationship with its citizens. There must be more openness. I was pleased to hear the Leader of the Opposition support the concept of a freedom of information Bill—such a concept has certainly been endorsed by his official spokesman. If we are to change our culture, we must move from being one of the most secretive societies, when it comes to government information, to one of the most open.

Last December, I produced a White Paper entitled "Your Right to Know", which has been widely welcomed. Everyone agrees that it would move us a long way forward. Although more than 90 per cent. of the work on the draft Bill was completed, I was not surprised that it was not mentioned in the Gracious Speech.

Mr. Paul Tyler (North Cornwall): On behalf of the Liberal Democrats, I pay tribute to the hon. Gentleman for the work that he has undertaken on that important aspect of modernising our system of government. Does he accept that the best way to test the Conservative

party's intentions is to bring forward a Bill as soon as possible? We could then see what Conservative Members did with it.

Dr. Clark: I shall pick up that point as I develop my argument.

I understand the Government's difficulties. We do not know the position of either the Conservative party or the other place. Given the limited time at our disposal, certain Bills have had to be put on the back burner. Like the right hon. Member for Yeovil, I was encouraged to see the draft Bill referred to in the Gracious Speech, but I was disappointed that it did not go before the Select Committee on Public Administration in September as we had hoped. I hope that that will happen early in the new year. It is an extremely useful innovation whereby we publish draft Bills and hon. Members can analyse them and make suggestions so that, when Bills finally come before the House, they are in the finest possible form. Freedom of information is not an easy subject on which to legislate, given the interface with human rights, data protection and the necessary security of our country. However, we have done all the detailed background work and are well on the way to having a fine piece of legislation. I anticipate that such a Bill will appear in the next Gracious Speech in 12 months' time.

I have dealt with changes in culture; I shall conclude by discussing changes in institutions. The structure of government is becoming increasingly outdated. It is based on the paper chase of the old industrial society. We are moving into not only a new millennium but, as my right hon. Friend the Prime Minister said this afternoon, a new world—an information society—which means that many of our institutions will have to change. The Gracious Speech recognises that by announcing a Bill that will transfer the Contributions Agency to the Inland Revenue. That makes common sense, as the system will be more efficient and easier for our citizens, which is what government should be about.

I was also pleased that the Gracious Speech referred to a Bill on electronic commerce. I disagreed slightly with my right hon. Friend the Prime Minister—I am glad that he is not here now—when he said that we have two decades in which to make such changes. The pace of change in electronic issues is so fast that, unless we get it right within one decade, or half a decade, we shall miss the boat.

I was interested to see that we must still await a White Paper on better government. I was encouraged to see in the Sunday press that the Government were investigating the possibility of doing away with girocheques for the payment of benefits. They are an out-of-date and inefficient method of paying benefit and are open to fraud. We should move towards a system whereby, once a person has been assessed for benefit, the money is immediately transferred electronically. The possible savings are immense. When a similar process was undertaken in Australia, the cost of delivering benefits was reduced from 100 cents to 4 cents. Savings of a similar magnitude were made in the United States.

We should not be timid about making such a change. Hon. Members on both sides of the House want post offices to be retained. People who do not want to use a bank should be offered a free post office account so that money can be transferred to it directly. Many rural areas have no banks, so post offices could be used instead. Experts in such matters say that we could save some £6 billion a year on our welfare bill.

I hope and anticipate that the ideas that I have put forward will appear in future Queen's Speeches. We have heard today the second stage of the plan of a radical Government who intend to modernise our country. As my hon. Friend the Member for Bassetlaw said, we still have a 27 per cent. lead in the polls. If we keep up our radical agenda, which is relevant to the ordinary people of Britain, we shall retain that massive lead and the support of the general public.

5.8 pm

Sir Michael Spicer (West Worcestershire): Given the circumstances of the departure from office of the right hon. Member for South Shields (Dr. Clark), he made an extraordinarily loyalist speech. If the Government's proposals for the House of Lords go through and it becomes an entirely appointed Chamber, the right hon. Gentleman will deserve his reward. If I were him, my only nagging worry would be the Prime Minister's attitude to his own party; although the Prime Minister has an aversion to the Conservative party, he has a far greater aversion to the Labour party. Judging from the reaction of Labour Back Benchers this afternoon, the feeling is mutual.

I have never thought of the Prime Minister as a closet Conservative, as some do. However, he is extremely fond of the Liberal Democrats, so it is not surprising that the thrust of the Queen's Speech should be so attractive to them. The right hon. Member for Yeovil (Mr. Ashdown) said that the Liberal Democrats approved of much of the Queen's Speech. He should have said that they approved of most of it, because that is what he really meant. He merely wanted to tinker with it, and go a little further here and there. Nothing in the Queen's Speech was fundamentally out of tune with the views of the Liberal Democrats. That is now par for the course.

Mr. Baker: That is a gross misrepresentation of the comments of my right hon. Friend the Member for Yeovil (Mr. Ashdown). We do not disagree with much in the Queen's Speech, but we have made the point that a huge amount is missing from it—whether on the environment or whatever—and that is terribly important. We have great doubts about the value of the Queen's Speech for that reason.

Sir Michael Spicer: No doubt, the Government will be listening to those pointers, and they will be followed up. I intended to show how that is likely to develop. When we boil it down, Liberal Democrat policy has two strands—the right hon. Gentleman said that there were six, but I think there are only two.

One strand is the party's policy towards Parliament, which is simply stated. It is to give itself more power through proportional representation, and then, in effect, to abolish Parliament. It is an inconsistent policy, but it would result in the break-up of the United Kingdom and, therefore, of this Parliament. Proportional representation would break up relationships with constituencies. The bits and pieces of what will be left after the power of the second Chamber to provide checks and balances has been broken up will be handed over to European institutions. That is the paradoxical basis of the Liberal Democrats' policy on the parliamentary side.

[Sir Michael Spicer]

More interesting perhaps are the Government's policies on the economy and how they fit in with the instructions that are increasingly being issued to them by the Liberal Democrat party. One of the Government's key economic policies is to do away with old-style nationalisation, because it appeals too much to the old Labour party. With the agreement of the Liberal Democrats—I should be happy to debate the many examples of such agreement with them—the Government want to put in its place widespread, interventionist, regulatory policies. Those regulatory policies are much more widespread than people realise, and are mind-bogglingly extreme. Regulation is part of the theme of the Queen's Speech.

The Government have already adapted the regulatory institutions that they inherited—for gas, water and electricity—so that they manage those industries in some detail. Investment policy is now the job of the regulator in those three industries and the regulatory bodies have imposed tough rules on investment. The Queen's Speech promises much more. There is to be legislation to provide a

"fair basis for water charging in England and Wales."

The regulatory bodies are to control not only investment, but pricing. One could argue that there is not much left of a business to run if the control of pricing and investment has been given to a regulatory body. There must be an element of independence. That is appealing to the Liberal Democrats. I do not know whether it appeals to the real Labour party, but I suspect that, as it does not involve nationalisation, it does not appeal to it very much.

The Government were most explicit about the Financial Services Authority in the draft Bill on that subject which they published some months ago. Clause 70 of that draft Bill gives the FSA power to make its own rules as it goes along, including "conduct of business rules". That is quite extraordinary, because it is the first time that such permissive powers have been given to a regulatory body. Further clauses do not restrict the authority. It must accept certain representations, but there is no sign of the effect of those representations or of what the procedure will be. The FSA is to be accountable to nobody, except possibly the European Court of Human Rights, which is not a court of this Parliament.

The Treasury Select Committee, on which I have the honour to serve, as do some Labour Members present, recently passed a report. I am afraid that I was the only person who voted against the publication of the report. The Liberal Democrats support and like very much the part of the report that says:

"We recommend that the Treasury examine whether legislation or further rules are necessary to define what is meant by policyholders' 'reasonable expectations'".

That related to the mis-selling of pension policies. The regulators can set their own rules, and can set prices and investment. Their job is also to give everyone total protection. The philosophy is that everyone should invest with total protection, and if they do not have total protection, heavy penalties can be imposed.

The City of London and the nation should be quaking in their boots. Almost 10 per cent. of all foreign earnings—£170 billion a year—comes from foreign investments placed by the City of London, which, by most standards, has become the most successful financial centre in the world, including New York. That is now to be put at risk. The regulatory strand of the Queen's Speech is one of the most worrying, because it shows that the Government's strategy is to control the minutiae of the economy right across the board. That would have been unimaginable until a year or so ago.

The Under-Secretary of State for International Development looks worried or puzzled—perhaps he does not understand. The major fields of economic activity in this country have regulatory bodies that control investment and prices, and make up their own rules as they go along. How can he not agree that that is pervasive and all-consuming? Perhaps I am being helpful to the Government, because I am re-establishing some contact between them and their Back Benchers, who may like this policy. When they realise what is going on, they may think that it is better than nationalisation. However, the Government cannot say that these regulatory bodies will be accountable to anyone, and certainly not to Parliament.

The second strand of the Government's policy that is warmly supported by the Liberal Democrats—indeed, they say that they invented it, and perhaps they did—is to build a massive wall between the instruments of fiscal policy and those of monetary policy. By handing over control of monetary policy to the Bank of England, they have stripped Parliament—with the rare exception of the Treasury Select Committee, which is allowed to ask the Chancellor and the Governor of the Bank of England questions about those matters from time to time—of its power to hold accountable the body that governs our monetary policy.

The effect of that on the economy is potentially disastrous and, I hope, will be disastrous for the Labour Government. For the time being, the Government have been given a reprieve. The Government proudly announced unfunded expenditure plans of £40 billion over the next three years. The deficit has already been revised by £11 billion in the recent budgetary statement. The Government make great play of having been brave in the past two years, but they have merely applied Conservative policies on expenditure. Now that they are swimming on their own, the real Labour Government are having to revise the deficit projections almost weekly. It is now up to £11 billion, and no doubt it will go beyond that in the next few weeks.

Recently, all that has—so far—been accompanied by a fall in interest rates. In that sense, there has been a reprieve; Labour Members have breathed a sigh of relief, and the problem appears to have gone away. However, we should not bet on that continuing to be the case. The Government have, among other things, made it the law of the land that the Bank of England shall comply with a 2.5 per cent. inflation rate target.

My right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) said earlier that we should not believe everything that the Bank says. The point is that those people now run the economy, and, if they believe what they say, that is good enough in terms of what economic policy is to be. A cursory flip through the Bank's inflation report reveals very quickly that, in the Bank's view, inflation is just around the corner. On page ii, the report states:

"The outlook for inflation continues to depend upon developments in the labour market."

The next sentence tells us that the labour market "remains tight". Later, the Bank says:

"Downside risks to inflation from weaker growth than in the central projection are largely balanced by upside risks, which include the possibilities of a more rapid fall in the exchange rate and of past money growth creating upward pressure on prices."

On the next page, the report says that monetary growth has been increasing recently, and gives the M4 figure. On the basis of bank lending figures, the growth has been even faster.

The Bank rather slides over one point. I hope that, when the Governor comes to see us the day after tomorrow, we shall probe him on this. I refer to the extent to which the Bank, in its calculations, has taken into account the effect of the Government's unwise, unfunded new spending plans, to which the report makes only a cursory allusion.

Given all those pressures, the likelihood of the Government's economic policy ending in tears is rather greater than it appears at first glance. The Government—in the Queen's Speech, they said again how proud they were of this—have isolated monetary policy aimed at controlling inflation from fiscal policy that is likely to increase inflation. The effect may well be economically disastrous.

It is because the Prime Minister, in particular—but also those whom he appoints—does not trust his own party that the Government have done what they have done to the Bank of England. It is a happy coincidence that they have pleased the Liberals in the process. That is also why the Government are sidling up to the Liberals on a daily basis. It can be felt across the Chamber. The questioning that takes place between the right hon. Member for Yeovil and the Prime Minister is almost a charade. There is an electricity between them.

The Prime Minister has embarked on a policy that he knows will end in tears in his own party, and, in so doing, has sown the seeds of his own destruction. That bodes badly for him, unless the Prime Minister decides to cross the Floor and join the Liberals—which is always a prospect, and may be the Prime Minister's fantasy. The Labour party is becoming increasingly restless, as was evident to us today. Labour Members have accused us of talking among ourselves, but the talking that was going on among them while the Prime Minister was speaking had to be heard to be believed.

The problem stems from a fundamental policy of separating monetary policy—which has now been taken out of the hands of politicians—and fiscal policy. The Government are apparently proud of that, and proud of their relations with the Liberals in that context; but I believe that it will end in disaster for the country, and, I hope, disaster for the Labour party.

5.24 pm

Mr. Jim Marshall (Leicester, South): I shall not follow the path trodden not so lightly by the hon. Member for West Worcestershire (Sir M. Spicer), who seems bemused and obsessed by conspiracy theories. I have my own doubts about the relationship between the Prime Minister and the Liberal Democrats, but they do not resonate with the hon. Gentleman's views.

I join others in congratulating my hon. Friend the Member for Bassetlaw (Mr. Ashton) on his speech. There can be no one more appropriate than a poacher turned gamekeeper to respond to the Queen's Speech. Unlike my right hon. Friend the Member for South Shields (Dr. Clark), I am not convinced that my hon. Friend is always a font of common sense, but he always speaks from the heart, and I think that that came over in his speech.

May I issue a mild reproach? My hon. Friend referred to his birth and upbringing in Sheffield—particularly Attercliffe—and to the canal that runs through Attercliffe, which featured in the film "The Full Monty". Not all Members may know this, but my hon. Friend and I know that, when we are in company, as we were this afternoon—perhaps a company of 500 more than that to which we are used—and he regales the company with his story, he nearly always states that he and I were born and lived with 150 yd of each other. Today of all days, my hon. Friend could have mentioned that: it would have gained more publicity for me and for my constituency, today and tomorrow, than this or any other speech that I am likely to make in the current Parliament.

Mr. Ashton: I must disappoint my hon. Friend. Although we grew up within 150 yd of each other, the house in which I was born was bombed in the blitz.

My hon. Friend has not mentioned the fact that the neighbourhood, near the canal, contained a Sir and a Dame, both of whom led Sheffield city council. There must be something in Attercliffe that breeds good politicians.

Mr. Marshall: The House will be pleased to know that the houses involved have now been pulled down, so none of it is likely to occur again.

I agree with everything that my right hon. Friend the Member for South Shields said about the freedom of information legislation. I am sorry that it did not appear this time, and I hope that the Government will honour their commitment to introduce it in next year's Queen's Speech; I am sure that they will.

In general, I give a cautious welcome to the Queen's Speech, which further implements some of our election pledges. I want to mention five topics, four of which were clearly itemised in the Speech. I hope, for the sake of remaining in order, that the fifth is covered by the words

"Other measures will be laid before you".

Government spokespersons may consider some of my comments to be mildly critical—they would be right to do so—but I hope that some of what I say will strike them as helpful and useful.

Like the right hon. Member for Yeovil (Mr. Ashdown), I believe that the Government should reintroduce the European Parliamentary Elections Bill. I am not a great supporter of the closed-list system—indeed, I am probably an opponent of it—but I nevertheless think that the House of Lords was wrong to continue its opposition to the Bill. The convention is clear, and has been for at least 50 years: the House of Lords can oppose once, perhaps twice, but, ultimately, it gives in. There is no precedent for defeating the Government's business on five occasions.

We could all think of constitutional situations where the House of Lords would be correct to continue to defy the will of the House of Commons, but by no stretch of the imagination, including even the wild rhetoric of the Leader of the Opposition, can the closed-list system be argued to pose a constitutional threat to the United Kingdom, so the House of Lords was wrong. It was wrongly advised by the Tory leadership in the House of Commons.

[Mr. Marshall]

It is clear that the backbone of the Tories in the House of Lords was reinforced by the will of the Tory leadership in the House of Commons. I just hope that the Tory leadership in the other House will now decide to do what I believe it wanted to do at the death last week: to acquiesce in the passage of the legislation. I hope that the Tory noble Lords will be able to convince the Tory leadership in the House of Commons of the need to progress the legislation through the House of Commons and House of Lords by January next year, so that the Government can put in place proportional representation for elections to the European Parliament in June.

I welcome the legislation to abolish the right of hereditary peers to sit and to vote in the House of Lords. I am not sure from the Gracious Speech whether we are also going to remove their right to continue to use the House of Lords as a club; I would certainly favour doing that. If we are going to abolish their right to sit and to vote there, we might as well go the whole hog and deny them admission to the House of Lords.

There is no doubt that the Government's proposal is correct. Despite what Opposition Members may say, there is widespread agreement that the anachronism that has existed for 800 years, whereby 750 individuals, by the accident and privilege of their birth, have conferred on them the right to participate in Parliament, must be ended as soon as possible.

I understand the argument that there is a need to progress fairly quickly the total package of reform of the House of Lords. We cannot continue for any great length of time to have just a rump House of Lords, but that should not prevent us from proceeding with the Government's legislation.

I hope that the Government make it absolutely clear to the royal commission that is to examine the future of the House of Lords that it is duty bound to report within two years, so that the Government, and particularly the Labour party, can put proposals to the British electorate at the next election—because we are talking about the next Parliament, not this one—and again get a mandate for the total package of reform of the House of Lords.

My third item concerns the Government's proposals on the fairness at work legislation. I congratulate the Government on bringing that forward. I just hope that my congratulations are not premature.

I hope that the Government will persist in the proposals that were outlined in the White Paper "Fairness at Work" some months ago. I think that many of my parliamentary colleagues would agree that the proposals, particularly those dealing with trade union recognition, represent a modest change to redress the imbalance that was introduced by Tory legislation over 18 years. The operative word there is "modest" because, despite the bluster—there has been a lot of bluster about the issue both in the House and in the country at large—of some individual employers, the proposals do not represent a transformation, or resurgence, of trade union power.

I hope that the Government will not qualify the 50 per cent.-plus-one rule for automatic union recognition by imposing arbitrary time limits on union membership before a union member is able to participate in ballots, or by saying that someone has to have been a member of the trade union for a sufficient length of time for the rule to apply. If the Government accede to that request, and I understand that the CBI, even at the 11th hour, still continues to put pressure on the Government to accept such a change, it could lead to chaos in British industry for two reasons.

First—clearly, this does not apply to all employers—there will be unscrupulous employers who will use that time limit on membership to question each and every individual union membership, which would delay virtually indefinitely the recognition of a trade union in that company or place of work. Secondly, trade union recognition in those companies or industries where there is a high turnover of employees would be virtually impossible. For those reasons, the Government should not acquiesce in the CBI's request for time limits.

I wish that the Government would ensure that companies that had fewer than 20 employees came within the ambit of the legislation. The Government are making a grave mistake in excluding such companies. I hope that, even at this late stage, we shall be able to convince the Government, when we discuss the nitty-gritty of the legislation, to accept an amendment that will reduce the figure from 20.

Having been critical, let me say that I warmly welcome the proposed reduction—from two years to one year—of the qualification period for protection against unfair dismissal. That change is long overdue. The period is still a far cry from the six months that we originally had when legislation such as this was introduced by Labour Governments in the 1970s. Nevertheless, it represents a step in the right direction. If my reading of the press notices is correct, I should also welcome the increase in the ceiling for damages against unfair dismissal from £12,000 to £50,000.

I welcome proposed asylum and immigration legislation to include an appeals procedure for prospective visitors to the UK who are refused an entry certificate. Hon. Members who have a constituency such as mine, where many people are directly from, or are descended from citizens of, the Indian sub-continent, will be aware of the great distress that the present system causes.

Many of those constituents still have close family ties with people living abroad, particularly in the Indian sub-continent. Hundreds of those people visit my office in Leicester—yearly, I emphasise, not daily—and are at a total loss to understand why their relatives have been refused a visa. Often to them—and occasionally to me—the reasons given for the refusal appear perverse. The development of an appeals procedure will be an undoubted improvement as it will at least ensure greater conformity in decision making and the independent review of executive decisions.

My main concern about the proposal is the level of charge that an individual will have to pay for his appeal to be heard. In an exchange with the Home Secretary on the Floor of the House at the time of the publication of the White Paper, I asked what the charge would be. If my memory serves me correctly, the Home Secretary said that it would be somewhere in excess of £200 per applicant.

That is a prohibitively large sum for many people living in the Indian sub-continent and probably for those in other parts of the world as well. I hope that the Government will consider levying an additional charge on all those who apply for an entry certificate for this country. That

money could go towards funding the independent appeals procedure. I hope that we shall be able to convince the Government to make that change.

The Government clearly intend to make welfare reform one of the centrepieces of the legislative programme for this year. I accept their argument about the need to ensure that public funds are not abused. I accept their argument that those in greatest need must receive the most benefit and, of necessity, be targeted. I also agree that, if jobs are available—that could be a severe constraint—it is better for people to be in work than to be dependent on benefits. However, I do not accept the notion—I hope that the Government do not accept it either—that the welfare system is being systematically sucked dry by the healthy and workshy. I do not believe that for one moment.

As individual constituency Members of Parliament—I am sure that others experience the same thing—we see the victims and casualties of the failure of our economic system in our advice surgeries and local constituency offices on a daily basis. We have to ensure that, in the zeal for welfare reform, the lives of those who are dependent on the system are not made more difficult than they are already.

Finally—this is not an open or even a veiled threat and I hope that the Whip will not see it as such—I will judge the Government's proposals for welfare reform on how they will affect the lives of my constituents. I know that that sentiment is shared by others in the parliamentary Labour party.

5.43 pm

Mrs. Virginia Bottomley (South-West Surrey): The Labour party waited 18 years to govern. It is now 18 months since they became the Government and the Chamber is deserted. That is a reflection of new Labour's attitude to Parliament. If one looks at the Prayer Cards, one can see that there are about 25 on the Conservative Benches and only three on the Labour Benches. At 8 o'clock in the morning, the hon. Members for Bolsover (Mr. Skinner) and for Falkirk, West (Mr. Canavan) tend to be here placing their Prayer Cards to secure their seats, but there are a great number of Conservative Members present because we continue to think that the House of Commons is where issues should be discussed and debated.

The Parliamentary Under-Secretary of State for International Development (Mr. George Foulkes): I have been a Member of the House for nearly 20 years and I have never used a Prayer Card. I see no reason for doing so and I see no purpose in it. There are more Labour Members present now than Conservative Members.

Mrs. Bottomley: During the debate on the Gracious Speech, about one in three, or fewer, Labour Members were present. That is the extent to which they have been told to stay in their constituencies, not to make trouble and to avoid debating the issues of the day.

Mr. Michael Clapham (Barnsley, West and Penistone): That remark is ludicrous. The right hon. Lady will see that there are far more Prayer Cards on the Tory Benches than there are people sitting in their seats. The right hon. Lady will also note that there are many more Labour Members present. She said that there were only a few Labour Members present at the start of the debate, but she should note that there were many more Labour Members than Tories.

Mr. Deputy Speaker: Order. We are debating the Queen's Speech and not the procedure for putting down Prayer Cards. Both sides of the House have made their point and we must get back to the debate on the Queen's Speech. I am obliged to ask the right hon. Member for South-West Surrey (Mrs. Bottomley) to do just that.

Mrs. Bottomley *rose—*

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy): I want to point out that 25 per cent. of the Plaid Cymru parliamentary party are present.

Mrs. Bottomley: As I advance my argument, Mr. Deputy Speaker, you will see the relevance of my comments about the extent to which the Chamber of the House is consistently insulted.

It is interesting that the Prime Minister, who has voted on fewer occasions than any other recent Prime Minister and scarcely spends any time in the House—

Mr. Brian White (Milton Keynes, North-East): Will the right hon. Lady give way?

Mrs. Bottomley: Of course. I always believe in giving way, but I will just finish my sentence.

It is interesting that the Prime Minister chose to stay for the speech of the right hon. Member for Yeovil (Mr. Ashdown) but not for the first Back-Bench speech which was made by the right hon. Member for South Shields (Dr. Clark). I suppose that is because the right hon. Gentleman has had the nerve to suggest recently that the No. 10 press machine has been disregarding or trying to gainsay the work he did during his time in office.

Mr. White: Does the right hon. Lady not realise that this House was brought into disrepute among the community outside by the actions of her Government over 18 years? Sometimes, we spend too much time contemplating the procedures of this place rather than debating the key issues affecting the country.

Mrs. Bottomley: I am looking forward to advancing my argument, but I must make one further point. If hon. Members visited Speaker's Court on a Thursday, they could see the number of cars. Last Thursday at 3.15 pm there were seven cars and on the previous Thursday there were only three. That was when we used to have Prime Minister's Question Time and Ministers had the grace to come to the House of Commons.

I point that out because one of the measures in the Queen's Speech is the proposal to change the nature of the House of Lords. The debate about the House of Lords would not be so serious if it were not happening under a Government who have shown themselves more determined to destroy dissent, control information and reduce the autonomy of Members of Parliament than any other in living memory.

In a way, I was looking forward to the experience of Opposition. I chose my seat in the House because it is the seat in which the noble Lord Shore used to sit when he

[Mrs. Bottomley]

was a Member of the House of Commons. Like me, Lord Shore believes in the process of Parliament and the scrutiny of issues and debate. My concern about the Government's vandalism towards the constitution of move first, think later, is that the House of Lords has often been—sometimes to the great irritation of members of the Government when my party was in power—the one part of the legislature that could reverse a Government's decision or make a Government think again. We have not in living memory had a Government with such a high-handed and arrogant regard for their own powers.

A couple of weeks ago, *The Sunday Times* published a detailed article by Robert Harris, who commented on the Labour party's Stalinist approach in seeking to control candidate selection and Members of the European Parliament, and in seeking—above all—to diminish the significance of Cabinet Government in a manner that Baroness Thatcher would never have been able to get away with.

Mr. David Taylor (North-West Leicestershire): The right hon. Lady has been an hon. Member longer than I have. Will she remind me of the number of times that the other place went against a Conservative Government on five successive occasions? If the other place is so in touch with popular opinion and the public mood, why did it not bat back to the House such unpopular proposals and ineffective legislation as rail privatisation and the poll tax?

Mrs. Bottomley: I am not able to comment in detail on the thinking of the Lords or to express a view on the rights and wrongs of the conventions, but I can express my own viewpoint. As the right hon. Member for South Shields (Dr. Clark) will discover, the joy of being a Back Bencher is that one is no longer required to be mild, obedient, good and kind, but allowed to be eccentric, opinionated and difficult. I intend to continue in that vein.

Opinion polls show that at least two thirds of the public support continuation of the role of hereditary peers in the other place until an alternative has been developed. Even that great newspaper, *The Sun*—which, as the Prime Minister so often works with it, must be right—has taken that view. The point is that the powers of each legislative Chamber are being diminished or removed. Only the House of Lords still has a sting, which, like a bumble-bee's, seems to work. Ministers are hell-bent on removing hereditary peers' power before developing an alternative for all to appreciate.

Dr. Lynda Clark: Has the right hon. Lady overlooked the small matter of the Scottish Parliament, which will begin operating on 1 May?

Mrs. Bottomley: I accept that the Scottish Parliament has much support in Scotland. However, the hon. Lady's question challenges me to deal also with the Welsh Assembly. The Neill report effectively condemned the referendum on the Assembly. A great deal of money was provided to support one side in the referendum, a small fraction of people voted, and it is unlikely that the referendum's outcome can be changed in the foreseeable future.

Among other matters, I strongly criticise the Government for failing to introduce measures to follow up the Neill report. The good name of politicians—in whatever Chamber or setting they serve—is important to all in the United Kingdom.

The Neill report made specific recommendations on the referendum process. It is deplorable that Ministers—who made so much of the issue when in opposition—have provided no legislative opportunity in the Queen's Speech to deliver Neill's recommendations on referendums, especially when the referendum in Wales will have such long-term effects on the integrity of the United Kingdom.

Mr. Nigel Beard (Bexleyheath and Crayford): Will the right hon. Lady remind us of the number of occasions on which she has condemned the Conservative party for receiving donations from foreign donors, some of whom have a dubious background?

Mrs. Bottomley: It is enormously unwise for Labour Members to start raising issues of improper behaviour. At a time when the Paymaster General is, we imagine, on his offshore island; when—because of his compromised situation—he has been unable to speak in the House, except for 54 seconds last week; when there are real concerns about many Labour party members; and when the closed lists that have been used in the House of Lords consist of an enormous number of characters whose generosity seemed to know no bounds before the general election—

Mr. Deputy Speaker: Order. If the right hon. Lady is criticising someone in the other place—that seems to be what she is doing—she must remember that the convention of the House is to table a substantive motion for debate. She must not question the good character of anyone in the other place.

Mrs. Bottomley: I had absolutely no intention of doing that. I was provoked by the hon. Member for Bexleyheath and Crayford (Mr. Beard), and I have always had a difficulty about being provoked in interventions. I shall try not to give way, and to stick to the main issue—which is the Government's serious lack of progress in the Queen's Speech on implementing Neill's recommendations. The public will make their own deductions about why the Government have not favoured such progress.

There was an omission also to mention any of the substantive issues dear to the right hon. Member for Yeovil. I do not blame him for yearning for a job.

Mr. David Taylor: Like you.

Mrs. Bottomley: It is understandable for one to feel a yearning and sense of injustice after serving for so long but never having a ministerial car or a red box. I tell the hon. Member for North-West Leicestershire (Mr. Taylor) that, to those of us who have had 10 years accompanied by red boxes and other people driving the car, the opportunity to be eccentric, difficult and opinionated is irresistible.

The right hon. Member for Yeovil seems to have been sold short by the Government. Although the Prime Minister stayed in the Chamber for his speech, the right

hon. Gentleman seems—in no uncertain terms—to have been strung along on substantive matters, including a freedom of information Act, among many others.

Some of the proposals in the Queen's Speech are welcome. As my right hon. Friend the Leader of the Opposition said, it is important that we establish a disability rights commission. My right hon. Friend is entitled to recognition for his important work on disability legislation, for which he has been widely commended.

I should like Ministers to be aware of the situation of Peter Stock, in Godalming. After the passage of community care legislation, he was an active member of the users and carers group. He will give strong witness to the degree to which disabled people and users' interests have been disregarded. He will give even stronger evidence on the degree to which the Government have taken a vindictive approach in the distortion of local government funds and health funds, which benefit metropolitan areas to the profound disadvantage of the shire counties.

Areas such as mine receive a 2.9 per cent. increase in health spending, whereas the average increase is 4 per cent. There is enormous demand, very large waiting lists and severe staff shortages. It is impossible to attract staff because of local cost factors. Moreover, there are no funds with which to attract staff. I am sure that Ministers will have to seek better answers in passing their legislation on the disability rights commission, and tell us why they have taken such a partisan approach to funding services for disabled people, which is operating to the disadvantage of areas such as my own.

The hon. Member for Leicester, South (Mr. Marshall) mentioned the fairness at work measures—which, undoubtedly, are part of the "no say, no pay" response. I saw Lord Sawyer being introduced into the House of Lords recently as part, I suppose, of the some say, some pay process, which has long been understood in the Labour party.

The local government changes allow local authorities off the compulsory competitive tendering hook—once again, a payback to local government friends and the Labour party's power base.

Many will watch with anxiety what is delicately called the modernisation of justice. This is a Government with enormously close relationships with fat cat lawyers—I think that that is how they keep being described. I wonder what happens at the dinner tables of all these families where there seem to be a number of fat cat lawyers closely involved with leading politicians. The serious point is that the principle of justice, and our system in Britain, depends on independent lawyers. The Government's proposal is one that is easy to suggest, but will be extremely difficult to implement unless the legal profession is more tolerant of the Lord Chancellor now than it has been over the wallpaper and the tights, and the big modernisation step of turning his back on Her Majesty this morning.

The national health service proposals are, again, a triumph of rhetoric and ideology over common sense. It is nonsense for the Government to talk about bringing an end to the internal market while saying that they will maintain the distinction between the purchaser and the provider. The Queen's Speech refers to decentralised arrangements. That contrasts with the comments made by my GPs, who believe that the new arrangements are bureaucratic, cumbersome and stifling to innovation and will result in inertia. The point about GP fundholding was that it encouraged GPs and primary care services to do things differently. That led to innovation and changes in practice from which others could learn. I recently spoke to osteopaths, who said that the first time that osteopathy was available on the NHS was when GP fundholding was introduced. Once a change in service provision had been tried, it was possible to apply it elsewhere.

I hope that, in the proposals for the national institute for clinical excellence, the Government will highlight the importance of innovation. I hope that they will not use NICE as a form of rationing. The right hon. Member for Yeovil is right to say that the Government should come clean on their priorities. GPs will be in an intolerable position if the Government do not take more lead in explaining what is and what is not available through the NHS, as the gap between people's wish list of health care treatments and their requirements grows ever wider, as is inevitable in the modern world.

I hope that, in taking forward their proposals for NICE, the Government will look again at the way in which they have run down the NHS research and development budget and disregarded the post of director of research and development. The work by Sir Michael Peckham as the first director was highly regarded. One of the steps that the Government took was to cut the NHS R and D budget. That is well understood. Behind the soundbites, the reality always tells a different story.

It is also a regret that in their legislation the Government have not found time to reform the Mental Health Act 1983, which needs revision to ensure that care in the community gains more public support and confidence and that there are more coherent measures to hold on to those who are not in an institution but need day-to-day monitoring and support. Much has been tried and discussed in mental health provision. The next step must be legislation.

The final omission from this Queen's Speech, about which my constituents will be most distressed, is the lack of any progress on the integrated transport strategy. My constituents, especially those who live in rural areas, feel that they have been lambasted by the Government. Their motoring taxes are about £30 billion a year. They are told that motorists are going to have to pay NHS bills as well, as a further penalty. They have nothing to show for it. They have one of the most serious road problems, with the A3 at Hindhead, in the entire south-east. They see a new regional development agency. They see layers and layers of bureaucracy, and they see politicians passing the buck when things go wrong and claiming the credit when things go right. Yet they see no action at Hindhead, and no measures in the Queen's Speech about integrated transport.

This is a disappointing Queen's Speech. As ever, it is about soundbites and spin. I much regret the degree to which the language in the Queen's Speech sounded very much more like a party political broadcast than the language we have been used to in a Queen's Speech over the years. That is another example of abusing conventions and customs and, in this case, drawing the monarch into party politics.

6.6 pm

Mr. Andrew Mackinlay (Thurrock): Recently, I looked at my maiden speech, which I made on the first day of the Gracious Speech debate in 1992. I did so to gauge for myself to what extent I, as a supporter of my party, had achieved the objectives that I enunciated on that occasion—an occasion which for me, as for other hon. Members, was profoundly moving.

I was pleased to see identified in that speech, and reflected in today's Queen's Speech, a number of important items. The first one is the fact that the Queen's Speech today reiterates the United Kingdom Government's wish to play a full part in the enlargement of the European Union. For me, the geographical political entity of central Europe is extremely important. I include in that Estonia, which I was pleased to visit recently with the Foreign Affairs Committee. I believe that the admission into Europe of Poland, Hungary, the Czech Republic and Estonia, together with Slovenia, is a matter that stands deferred from Yalta. Those countries should be able to take their place as a matter of right in a free democratic club. I am pleased to see that, together with our European partners, the Government are pursuing that objective with vigour.

In my maiden speech, I referred to my desire to contribute in whatever way I could to the debate on constitutional and parliamentary reform. That is very much a feature of this Government. I disagree with some details of the Government's initiatives and plans, but the broad thrust is something of which all of us in the Labour party can be extremely proud. The United Kingdom constitution and its Parliament, of which all of us are proud, is basically a Victorian institution. It has not been substantially or materially altered to take account of the great growth in the role of modern government that occurs in all jurisdictions. We need to reform the constitution to make our democracy and institutions more sensitive.

Just to demonstrate that I am not making a partisan point here, I should say that we need always to remember that Lord St. John of Fawsley, when he was Leader of the House, largely initiated the modern Select Committee system, which is an enduring legacy on which we need to build. We have to enhance the status of Select Committees, increase the importance of their Chairpersons and give them more power to call the Executive to account.

With the exception of the Select Committees' creation, there has not been a radical look at how we deal with our democracy. Parliament has not evolved to take account of the vast responsibilities, budgets and interrelationships of modern government. I welcome the increments along the road of reform in the Queen's Speech, such as the announcement of legislation on the regional development agencies and new concepts of local government.

As we devolve our constitution, we need parity of treatment throughout the United Kingdom. My hon. Friend the Member for Linlithgow (Mr. Dalyell) has often advanced what is known as the West Lothian question. He is opposed to devolution, but I, as an advocate of devolution, agree that we cannot ignore the issue. We should ensure that we devolve on a democratic basis to all corners of the United Kingdom. It always seemed absurd to me that I should be kept here on a two-line Whip to vote on the Cardiff Bay Barrage Bill. The good people of Dock road, Tilbury did not lie awake at night worrying about the Cardiff Bay Barrage Bill, important though it was. It was clearly a matter for the good people of Wales. In the same way, a Bill about London taxis should not preoccupy people from Inverness or Caithness and Sutherland.

Sir Michael Spicer: I seem to remember following the hon. Gentleman's maiden speech. I said some nice things about it, partly because that was convention and partly because it was a good speech. I have seen him become rather sycophantic since he moved to the Government Back Benches, which I did not expect. I shall try to encourage him for the rest of his speech. He has talked about rolling government and the need for parliamentary reform to control it. What specific proposals are there in the Queen's Speech or in the Government's thinking on that? The hon. Gentleman has mentioned Select Committees, which were established some years ago. All that he has come up with is regional development agencies, which represent a move away from parliamentary control.

Mr. Mackinlay: The hon. Gentleman should be patient, because I want to develop that theme. I chose my words deliberately when I welcomed the "increments" of reform. The hon. Gentleman can check the *Official Report* tomorrow on that. I was leading up to saying that the regional development agencies should be democratically elected. Law-making powers should be devolved to assemblies throughout the United Kingdom, not just to some parts of the United Kingdom. There has to be parity of treatment and constitutional symmetry. I hope that my hon. Friends will bear that in mind as we reform our constitution.

Mr. White: Has not a lot of the European funding for this country been stifled because of the lack of a regional dimension, which could have used the funding to give the people of this country a much-needed boost?

Mr. Mackinlay: That is so. I want democratically elected law-making assemblies throughout the United Kingdom on the grounds of good governance. I think it is good that local people should take decisions at as local a level as possible. That is real subsidiarity. Hon. Members have been patient and I do not want to dwell on the issue.

British local government works well. The principle of "If it ain't broke, don't mend it" should apply. We need legislation to enable people to innovate in local government. Ideas such as Cabinet government and elected mayors offer good opportunities for experimentation. I do not want to abandon the British tradition of local government, which has endured well. Despite press reports, it is probably the least corrupt system of municipal administration in the world. That needs to be said out of respect for the vast number of municipal councillors who give diligent and loyal service, regardless of party. We should always remember that.

Reform of the House of Lords will be a central feature of our debates in the next few days and over the coming months. We need a Chamber that can frustrate, and in some cases impede, arbitrary government, but the House of Lords has no mandate to do that. When I take students down to the other place, I tell them that its functions are very important but that its constitution is repugnant, because it has no mandate. It is absurd that people can

have a seat in Parliament on the basis of a hereditary principle. That is nonsense and the institution has to go. In their heart of hearts, all hon. Members know that it has to be stopped.

Deciding how to replace the House of Lords is a more difficult and sensitive issue. A House of appointed members would not be satisfactory—certainly not in the long term. There is no substitute for a democratically elected House. The old argument that a democratically elected upper House would have parity with this House is nonsense. It can be made clear in statute that the House of Commons is supreme and its view will ultimately prevail. The upper House could be elected on a rolling basis, with one third retiring every so often rather than the whole House being elected at one time. As a democratically elected body, it would have some mandate to make this place reflect and to contribute to the important job of checking the Executive. In fairness to my right hon. Friends on the Front Bench, they have made it clear that that is broadly what they want to move to. We have to tackle the issue urgently, because persisting with such an anachronism is an embarrassment to our claim to have a democratic constitution.

If we have appointed members of another place who do not have a democratic mandate, we need an age limit with some immediacy. That is a delicate issue. The Senate of Canada is an upper House with appointed life members who have to retire at 72 or 75. That is necessary. It would not be necessary in a democratically elected House, because the people would choose who represented them. I would welcome more people of senior age standing for democratic election. The current situation is unfair to some of those who have been appointed to the House of Lords. They endeavour to give good and diligent service, but age takes its toll and physical and mental capacity is, to say the least, somewhat diminished in some cases. I say that with no disrespect. We have to be candid. It is time that there was an upper age limit on people serving there if they are not democratically elected.

I should also like to dwell on the proposals for fairness at work. My background is in the trade union movement. For 17 years before coming to this place I was an employee of the National and Local Government Officers Association—now part of Unison. I have been a member of the Transport and General Workers Union since 1975. Because of my constituency's involvement with the print and board industry, I meet regularly with the Graphical, Paper and Media Union, with which I am proud to have an informal association, and many other unions. I am also a member of the parliamentary group of trade union members.

I welcome the Government's intention to introduce legislation that will renew people's rights in the workplace. Much play has been made of the fact that the legislation will give power back to the trade unions and enhance their rights. I believe that those comments are unjustified. Basically, trade unions are the instruments by which people attain individual rights in their places of work. Trade unions are voluntary organisations; their members are fallible and there may have been excesses on some occasions. Looking back on my trade union past, there are times when I think that perhaps I and others could have done things differently. However, trade unions overall are a force for good in this country. They have a proud record of championing people's rights here and elsewhere and I think we should be proud to proclaim our association with trade unions, as I do. However, they are only the instruments for ensuring that individuals achieve justice in the workplace.

Before I came to this place, I collaborated with a Conservative Member of Parliament—a very good man—whose constituent had been arbitrarily and unfairly dismissed. He was incredulous at the fact that that constituent could find no remedy on the statute book. I told him that he had voted to abolish what remedies had existed. He was amazed: he could not believe that the great, fair United Kingdom provided no remedy against unfair or arbitrary dismissal for his constituent who had been employed for less than two years and treated dreadfully.

I urge hon. Members to reflect on the fact that the legislation will help their constituents. Most hon. Members have met constituents who have been treated dreadfully by their employers—harassed and dismissed or obliged to resign. Many people cannot find a remedy for those problems, and it is time that we put it right. I hope that Conservative Members, in particular, will bear that in mind when they consider the legislation.

The White Paper on fairness at work—which had green edges—contained some clear commitments from the Government. I hope that my remarks will not be misconstrued if I remind the Government that they undertook to ensure that the legislation would grant recognition to trade unions when they could demonstrate that 50 per cent. of the work force sought such recognition, usually through a ballot. That commitment must not be watered down. In any event, it is a pretty poor employer who insists that the matter should go to a ballot. Any decent employer should have a feel for things: he or she should know whether the workers are demanding recognition.

Good employment practice would normally dictate that recognition is granted to a representative body of workers that is created voluntarily. We do not hear sufficient talk from Conservative Members about good employment practice. We should talk up good employment practice which, in many cases, would avoid the use of strict and rigid statutory provisions regarding trade union recognition.

When I was a trade union official, I remember employers recognising—and sometimes welcoming—the fact that employees had got together, created an embryonic trade union branch and started to recruit people. It meant that those employers could communicate more easily with the workers. The natural virtues of leadership came into play as the more articulate workers were able to assist good industrial relations by communicating with both the employers and the employees. That is the spirit in which we should approach industrial relations. We should not try to resist at every turn the Government's proposed measures, which I believe will grant much-needed rights to many people.

I am slightly worried about hints in the press regarding a ceiling for compensatory awards in cases involving unfair dismissal. I cannot see any reason for that. In the event of outrageous action by an employer, I believe that industrial tribunals should have the discretion to award what they deem to be appropriate compensation. All compensation may be subject to appeal and review in higher courts, so it should not be capped in statute.

[Mr. Mackinlay]

I plead with the Government to reflect again on several points. Why should unfairness be tolerated in employment units comprising fewer than 20 people? Why should unfairness be tolerated in the case of someone who has been employed for less than a year? Unfairness is surely always unacceptable and intolerable. Let us apply the test of reasonableness: if an employer behaves unfairly, the employee should have a remedy from day one. Someone employed for such a short time would seek a remedy only in exceptional circumstances. However, that does happen from time to time.

For example, new employees may have been recruited on the basis of entirely false expectations of the conditions of employment. They may have resigned from pretty good jobs elsewhere, only to find that they have been misled and have no remedy against their employers who might introduce intolerable conditions or dismiss them. That is simply wrong. I appeal to Tory Members to reflect on that scenario and cast their minds back to constituency cases and their responses to them. I am sure that, like the Conservative Member with whom I dealt when I was a NALGO official, they would have shaken their heads and said that it was terrible. We must consider the issue dispassionately on a non-partisan basis.

My next point—which again relates to a small increment of parliamentary or constitutional reform—concerns the Government's intention to publish draft Bills in order to facilitate examination in a less adversarial atmosphere than occurs in Standing and Select Committees. That will allow all hon. Members and people in the community to contribute to the debate about the details of such legislation. I refer particularly to the draft freedom of information Bill and the Government's proposals for party political funding. That is a good innovation, which I hope will be reflected in other areas in the future. If that occurs, we will have achieved a great deal.

I shall deal finally with the Gracious Speech and its relevance to Parliament. I believe that organisation of the parliamentary timetable should be removed from the Executive and repatriated to Back Benchers. That would be a great step forward for democracy. I believe that the Government should negotiate for parliamentary time with a special Select Committee comprising senior Back Benchers. In those circumstances, the Queen's Speech would be a true list of the Government's planned and agreed legislative programme.

The Government's capacity to decide when Parliament sits, the speed with which legislation is passed and the extent to which it is examined represents one of the great battles to be fought, not only in relation to this Government but against Governments of every persuasion. There is a need for us to control the legislative timetable and programme. I hope that we will talk about that reform over the months and years to come so that a future Queen's Speech, or whatever is its equivalent in any modernised parliamentary arrangement, not only lists the Government's intentions but is agreed with a representative body of Back Benchers. Such a body would not act in an adversarial or partisan way but would decide how to give proper scrutiny to legislation, which does not happen at present.

6.30 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy): I congratulate the hon. Member for Bassetlaw (Mr. Ashton) and the hon. and learned Member for Edinburgh, Pentlands (Dr. Clark) on their very fine speeches.

There is agreement that local government is—to use estate agent-speak—in need of modernisation. I disagree with the hon. Member for Thurrock (Mr. Mackinlay) because, in the past few years, there has been a lot of corruption in local government. For various reasons, councillors have treated their areas as their fiefdoms. I am in favour of local government and I shall do what I can to help it to develop, but we must recognise that, in the past 15 years, it has been subjected to a great deal of corruption. Safeguards must be put in place to prevent future corruption and the Government's proposed Bill may well be the necessary legislation to do that.

The process of local government needs to be speeded up. It is no longer reasonable or appropriate that a council should go through its whole legislative cycle before making important decisions which may need urgent responses. I therefore welcome the idea that a smaller body of councillors should form an executive, with the caveat, which I hope will be imposed, that other councillors—back benchers, as it were—are not kept in the dark. They, too, should be privy to as much information as possible; otherwise, twin-track local government will develop, in which some people are in the know and others are not. That cannot be right in any system.

The Government's proposals are welcome in that regard, but central to any reform must be the repeal of legislation on compulsory competitive tendering. Any root-and-branch reform of local government must adopt that proposition as its keystone. The concept of best value is readily understood, but the great fear is that that will lead to further strain and tension between local and central Government. For example, last week, *The Guardian* suggested

"Government hit squads to take over failing councils".

Such a dangerous, retrograde step would create great tension between local and central Government. I have no doubt that such legislation would lead to central Government roping in councils still further and to the eventual decimation of local government.

What do we mean by "failing councils"? Are we to suppose that councils with the best possible motives, which provide adequate service delivery to a needy public from an ungenerous budget settlement, are failing because they are unable to stay within their spending limits? That would be most unwelcome.

The Government have said that the local government legislation will apply to Wales. It has long been a convention in this place that legislation on Welsh local government is considered in the normal way by a Standing Committee of Welsh Members or a Standing Committee of the whole House. On the one hand, the Government are giving Wales devolution, but, with the other, they are reining in power. The Bill will contain powers to censure councillors and even to remove and

replace them. A new quango will oversee that process. I have misgivings about that. Where do the thought police fit in? There must be a niche for them.

Mr. Ken Purchase (Wolverhampton, North-East): We have to find room for them somewhere.

Mr. Llwyd: I take the view—this may have some resonance with Labour Members, but I shall say no more, to avoid embarrassing them—that if councillors or council officers are accused of maladministration or, worse still, misconduct, it is not appropriate, for obvious reasons, that a committee of their peers should oversee the investigation. That should be overseen at arm's length by a Standing Committee of the Welsh Assembly. That could be done, and I very much hope that it will be. Anything else, when devolution is on track, would be a denial of democracy.

In common with the hon. Member for Thurrock and, I hope, other Members on both sides of the House, I welcome the Government's intention to restore union recognition rights at work. I endorse what the hon. Member for Thurrock has said. A commitment to fair and equitable treatment of well-motivated, well-trained staff is paramount. The core measures must protect the pensions of workers who transfer out of local government jobs.

Another important consideration is the need to ensure that new transfer of undertakings regulations are readily understandable and provide greater certainty and clarity in protecting the terms and conditions of employment where work is transferred out of the public sector. For far too long, that issue has been shrouded in mist. It urgently needs clarifying, and I hope that that will happen in the next few weeks.

I am disappointed that the creation of a strategic rail authority has been relegated to a draft proposal, bearing in mind the considerable shift in transport policy that was outlined in the transport White Paper. Our party has made recommendations to the Welsh Office and the Department of the Environment, Transport and the Regions about setting up a Welsh passenger transport authority.

A further shift from road to rail is vital, and no reasonable person can argue with that. There is a great need for further track development and, I am afraid, for determining the availability of through ticketing, which I raised during the debate on the privatisation of the railways. I hoped that the House would not pass that measure, but it did, and we are beginning to experience the problems that have arisen as a direct result. There is, however, a great deal that we can do.

I agree with the right hon. Member for South-West Surrey (Mrs. Rottomley) that people in rural areas pay for transport two or three times over because we pay higher prices for petrol and for public transport, if it is available. The time must shortly come for us to bite the bullet—I refer to road pricing. If people want to use their cars in London, they must pay to do so. Wherever one lives in this city, there is the choice of public transport—in some parts of London, there is a choice of two or three methods. Most cities have a reasonable public transport infrastructure.

Every day when I travel by bus, I see that eight of the 10 cars that are waiting in a queue at a junction contain only one person. That is what causes pollution. Measures to combat that may not be politically attractive, but, as an hon. Member said earlier, true politics means taking measures that may prove to be unpopular in the short term. Surely to heaven it is better to take unpopular steps in the short term to ensure the health of our children, given that so many more children suffer from asthma today than 20 years ago.

Mr. Purchase: How many times has the hon. Gentleman been in his own vehicle, travelling behind a bus containing only one or two passengers? Such buses can be equally wasteful. Does he agree that the way to protect our health and to improve the environment, especially for our children, is to impress on motor manufacturers and all those dealing with various styles of combustion that they must be prepared now to reduce the emission levels of their engines, and quickly? We can have leaner-burn and more efficient engines, which do not emit the terrible pollutants which, I agree, cause problems for children. Does the hon. Gentleman agree that that would be better than trying to stop people using their cars?

Mr. Llwyd: The hon. Gentleman makes a valid point. I do not pretend to have all the answers—clearly, it is a big issue—but he is absolutely right to say that we need to encourage the manufacture of less-polluting vehicles. Yes, I have seen buses with only one or two people on board, but there may be reasons for that. For example, in the part of Wales where I live, buses are so infrequent and undependable that people often do not realise that a service exists.

A passenger transport authority is vital for the United Kingdom as a whole. I would argue for it in Wales, but it is necessary for the rest of the UK, too. Other European countries have systems whereby all forms of public transport are properly integrated and alternatives are available.

I shall not drift too far away from the Queen's Speech, for fear of being ruled out of order, but, in this context, it is interesting to see what one transport authority—the Los Angeles Metropolitan Transportation Authority—can do. That transport authority compares the level of investment in roads and public transport by using cost-benefit criteria. It regulates car users in urban and overcrowded areas, controls car parking fees and then, bearing in mind environmental and congestion costs, decides on measures for various sections of the public transport services. In others words, it decides where assistance is and is not necessary. I am sure that everyone agrees that we need to set environmental targets, and that is one way of doing it, but there is not one simple answer.

If we are to improve matters in Wales in this regard, we need to look to a stronger, more beefed-up National Assembly. Again, I agree with the hon. Member for Thurrock, who argued potently for consistency. If there is to be a law-making body in Scotland, there should be a law-making body in Wales. It goes without saying that I should like that and more, but I shall not take up the House's time by setting out Plaid Cymru's policy—I think that most people know it by now.

If the Welsh Assembly is to make a difference, which is what it is all about, the people who represent their constituents in that body should be able to bring about changes that will make a difference. My great fear is that the National Assembly will not be able to do that. It will

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be empowered to discuss various policy heads and to examine very many matters that impinge on everyday life in Wales, but many will involve primary legislation which, of course, it is not open to the Assembly to pass. I shall refer briefly to that point again when I conclude.

I must refer to the relegation of the food standards agency. I disagree with the hon. Member for Thurrock on this point. He said that draft Bills were a departure that would encourage people to join in and debate. I hope that he will forgive me, but I thought that that was what White and Green Papers were for. I take the view—it may be partisan—that draft Bills are all to do with what is included in the Queen's Speech and what is not. I suspect that the word "draft" means that something is being kicked into the long grass, as was mentioned earlier, but I hope that I am wrong.

Mr. David Kidney (Stafford): We have already heard it said a couple of times today that the production of draft Bills means that certain measures are being kicked into the long grass, but I would offer an alternative point of view. If we are serious about improving the quality of legislation, it is thoroughly desirable that more Bills should be produced in draft for pre-legislative scrutiny and for consultation with people outside the Chamber.

Mr. Llwyd: I shall be delighted if the hon. Gentleman is right. There are two main reasons for a food standards agency. The first is to restore public confidence in the quality of our food and the second is to assist the agricultural industry. I have to say that there is no question of the agricultural industry being able to bear any further costs.

My party has discussed with the Government the fast-tracking of Bills contained in the Queen's Speech via the Welsh Grand Committee and then on to scrutiny by the National Assembly. It is an interesting thought, and I believe that hon. Members will develop the point later in the week.

It is necessary to reform the education system. I hope that the reform will be far-reaching, but I do not accept the concept of super-teachers, which seems rather ludicrous and populist. I submit that every teacher is super. I do not think that I could bear to stand in front of 30 screaming kids all day—I have been asked to mention that by my wife, who is a teacher. Before I descend into a morass of sleaze, I should say that, if we are to have super-teachers, we must surely have super-firemen and women, super-ambulancemen and women, and super-nurses and super-policemen. I am not sure whether the concept will work. No doubt other, more telling changes will be introduced—at least I sincerely hope so.

Today, I read with considerable interest the 13 indices of the quality of life. Of the 13, six cannot be legislated on under the National Assembly proposals for Wales. It is a great shame that the Government do not propose in the Queen's Speech to extend the powers of the Welsh Assembly to enable representatives to change the quality of life for the people of Wales. When the Government are, in the name of democracy, bent on root-and-branch reform of the second Chamber, it is interesting that there is no reform of the National Assembly to ensure beyond doubt that it can make a difference to the lives of the people of Wales. That would be an important step forward and would be a pure form of democracy because it would give the people of Wales what they want and what they rightly deserve.

The Prime Minister today mentioned the need to make subsidiarity a reality—to that I say, "Hear, hear."

6.48 pm

Mr. Ken Purchase (Wolverhampton, North-East): I agree with the Leader of the Opposition about one thing. Before hon. Members get too excited and sit on the edge of their seats, I should say that I agree with what he said about the second programme of any Government being very important in that it shows a Government's mettle, the direction that they wish to take and the quality of their legislation. I agree with the right hon. Gentleman about that, if nothing else.

I begin my main remarks by referring to the proposals for the House of Lords. I cannot wait for the other place to be disempowered. It is an essential—[HON. MEMBERS: "Disembowelled?"] I pronounced the word with great clarity—I said, "Disempowered." The measure cannot come too quickly. The state of affairs in the House of Lords is an anachronism and an affront to democracy and it certainly should not be allowed in a country that calls itself progressive and forward looking.

What do the Lords do? What have they done? It is worth considering for a moment their recent record of refusing five times to pass legislation. That was an important touchstone for their attitude towards this place. As a Back Bencher, throughout the first 18 months of the Labour Government, I was hearing threat and innuendo from the Lords—that they would delay the implementation of legislation in this place to suit their own ends. That was particularly so with regard to private Members' Bills.

Private Members' Bills represent one of the few tools in the Back Bencher's kit that allow us to make a mark in this place. None was more important than the Bill that proposed the abolition of cruel activities such as those often practised by people who sit down the other end of the Palace—the Wild Mammals (Hunting with Dogs) Bill. The Bill was honourable, well trailed and received tremendous support in this House, yet the message from the other place was "Bring that to our place and we will delay your Minimum Wage Bill for as long as we possibly can." The sponsors and I heard such a message, and, in the end, the Bill had to be put to one side for another day. I cannot wait for that Bill to be reintroduced by a Back Bencher when it has a real chance of succeeding and ending, once and for all, the cruel activities that are practised by a tiny minority and protected by their privileged position in the House of Lords.

Some ask, "Who should replace hereditary peers?" Frankly, I do not think that they need replacing. If we must replace them—it is a fairly absurd notion—to make up the numbers, there is a sensible way forward, on which I shall comment later.

My hon. Friend the Member for Wolverhampton, South-East (Mr. Turner) attempted to steer through a measure on consumer protection, so that men and women in a public house or elsewhere would be able to get what they had paid for: a full pint of beer. That Bill was stopped in exactly the same way—by threat and innuendo. We were told that, if an attempt were made to make progress

on such matters, other issues would have to pay dearly for it. The measure to abolish the rights of hereditary peers in the Lords is the most important of the Session. We must win the argument, and must not fail the people in trying to implement the measure.

If there were a contest about which single measure had increased bureaucracy in the health service more than any other since the inception of the NHS, we would have to agree that it is the preposterous paper chase that the previous Government instituted to fulfil their wish for some competitive internal market. Even now, the Conservatives have not learned that the NHS is, first and foremost, about quality. The matter is then one of how much the nation can afford and, through this place, how its budget is dispensed. When health authorities in the south of England are spending 7 per cent. of their budgets on invoicing procedures, the procedure must have gone badly awry. In my area, where about 50 per cent. of doctors are fundholders, the paper chase is an utter distraction. Our careful, step-by-step measures to recognise difficulties and variations in different localities will be welcomed—and have already been welcomed—by the medical profession and all those who support it.

I make the general bipartisan point that the country must make progress in respect of welfare. We must first recognise that, for 18 years under the previous Government, people were gently—sometimes violently—pushed on to unemployment benefit, or off unemployment benefit on to sickness benefit, whichever was the flavour of the month and whichever suited the previous Government's statistics. That was particularly so for young people in the west midlands, where we lost 350,000 jobs on the back of an experiment conducted by Lady Thatcher and Lord Howe, who sit in the other place. Their first Budget, which wiped out so much of our manufacturing capacity, led in 1983 to Britain's first deficit in manufacturing exports.

Manufacturing had held the country's head above water for as long as the records stretched; every year, there was a surplus in manufacturing goods. With the loss of jobs and capacity, young people, who had been following their fathers into factories and workplaces as tool makers, printers and so on, were discouraged from entering a career in manufacturing and engineering. Such jobs were thought to belong to a dying trade. It was said that all that mattered were service industries. We now know that, without a vigorous, expanding and well-regarded manufacturing industry, this island is sunk. We must be able to sell in order to buy. We need to sell high added-value goods, such as those we have traditionally been able to produce. Getting back on the track of manufacturing proficiency is our most important task in this Parliament. I noted that we will be bringing forward measures to improve productivity and address competition and other issues, about which I shall say a little more later.

I return to the question of welfare. How many of us, week in and week out in our surgeries, have met young men, and young women, especially, who have told us that they do not have enough money to look after their children, keep their house or do things properly? When they are asked whether they have had a job, they say, "No, I have never had a job since I left school. I was 16 when I left and nothing worked out properly. I went on one or two schemes, but nothing came of them."

Such people then find themselves with two or even three children—sometimes, unfortunately, by different partners, who have gone away, never to be found. These young people say to me, "They do not give me enough money to manage." When I ask who they mean, they say, "You know, the giro." We have reduced a generation of young people to the stage where they believe that wealth and welfare represent a giro dropping through the letter box on a Monday, Tuesday or Thursday morning. Lady Thatcher and Lord Howe ought to be brought to trial for crimes against young people, instead of sitting in their glory, doing damage whenever they get the opportunity.

Given the generation of people who have found it impossible to find their way into work, the raft of welfare changes that we must bring about, which were totally ignored by the previous Government, form a central part of the Government's proposals. Of course, sensitive issues will have to be addressed—not least the position of disabled people. Of course we will want to do that properly; we must not rush. We must ensure that there is a culture change, especially for young people, so that they expect the next chapter of their lives on leaving school or university to be one of work.

Mr. John Hayes (South Holland and The Deepings): I am grateful to the hon. Gentleman for allowing me to intervene because I was not in the Chamber at the beginning of his speech, for which I apologise. The hon. Gentleman has expressed concern for disabled people and I wonder whether he agrees with the Government's attack on them—for example, the withdrawal of legal aid from disabled people will prevent those who endure serious accidents from pursuing their proper rights to obtain adequate compensation through the courts. Is that the sort of generosity that typifies the Government's approach to disabled people?

Mr. Purchase: The hon. Gentleman may apologise for not being present for the beginning of my speech, but he should be ashamed—admittedly, he was not in the House at the time—of what the Conservative Government did from 1992 to 1997. He should have seen the obstructions that the then Conservative Government placed in the way of every proposal that was made in this place to assist disabled people. Not once could we rely on the then Government to do anything positive for disabled people. We shall be positive. We shall introduce new methods, means and processes whereby disabled people will be able to look after themselves in a dignified and proper way.

Mr. Harry Barnes (North-East Derbyshire): Was not the Leader of the Opposition, who now says that he will support the disability rights commission, the person who, as a junior Minister in the Department of Health and Social Security, blocked at every stage, time and time again, legislation for disabled persons' civil rights and any attempt to introduce into Government legislation a disability discrimination commission element? Does my hon. Friend agree that such proposals were blocked in this place and in the Lords? Indeed, in the Lords the activity against such proposals was organised, along with the voting against them, by Lady Thatcher.

Mr. Purchase: My hon. Friend speaks with great experience. He was one of the hardest-working Members in trying to ensure that disabled people had greater

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liberties, better rights and more processes open to them by which they might find justice. No doubt my hon. Friend still feels exceedingly frustrated by what happened during the period to which he referred. There is no way in which the Opposition can criticise the Government. We are only 18 months into government after 18 years of dilatoriness—that is the only way in which it can be described—in dealing with the rights of disabled people.

I believe that regional development agencies will massively assist the country through its regions to regenerate the activity and competitiveness that are vital to our wealth and welfare. The RDAs provide the best opportunity for the west midlands to recover from the days when unemployment was endemic. We are now seeing, even in my constituency, unemployment falling extremely quickly. I believe that that trend will continue. The RDAs present us with the best possible chance of a full recovery.

We are particularly well blessed—if that is the term—in the west midlands with a network of motorways that gives us good access to the rest of the country, including major ports and airports. There are tremendous development opportunities alongside our new motorways, including the M42 and the M54. These areas, especially those in the north-west of the region, will assist us in attracting inward investment and generating our own investment—that is important. We have a tremendous opportunity to contribute to the growth of high-technology industries, particularly through the communications network that is now available to the west midlands.

There are some wonderful regional champions. For example, in my constituency, there is Goodyear, which in my opinion is still the world's leading tyre manufacturer. It produces tyres from the smallest to the largest. Those who have never had the opportunity of visiting a Goodyear factory anywhere in the world will be amazed at the variation in tyre sizes that are produced. The tyres range from the smallest, almost wheelbarrow jobs to tyres for super-jets. Goodyear is a regional champion in every sense of the word.

In the west midlands, there is champion after champion in the aerospace industry—for example, Lucas. In the auto industry, there is Rover, which I hope is fully on the way to recovery following recent agreements; I hope that those agreements pay off hand over fist for the company, and especially for those who work within it. Rolls-Royce is another example.

There are tremendous energy industries in the area which are well served by the communications network, including the motorways. There is a huge domestic market of 5.2 million people, which represents a tremendous opportunity. Account must be taken also of the work that is undertaken overseas in developing other energy markets, some of which I had the opportunity to see when I was a member of the Select Committee on Trade and Industry.

The midlands, especially the Potteries, has a tremendous history in ceramics. It has an even longer history, perhaps, in the glass industry. I think especially of Halesowen and Stourbridge in the west midlands. Given that the region is being defined on the map, we have the new opportunity of agriculture possibilities, which previously did not exist for the large urban conurbations of the west midlands in Warwickshire, Worcestershire, Herefordshire and Staffordshire, as well as Shropshire.

As for the reformation of the common agricultural policy, Britain's fine work in agriculture, improving productivity and using land to best effect, has impressed the world over the past 50 years. Reform of the CAP will open up opportunities for employment in the cities that the west midlands has never had before. Working with town and country in this sense provides an exciting opportunity for younger people, especially through the catering and food-processing industries. Opportunities will be opened up once we have managed to revise and improve the CAP.

My hon. Friend the Member for Thurrock (Mr. Mackinlay) mentioned enlargement of the European Community. That should be seen as a tremendous opportunity, and not something that will cause us great heartache. I believe that it will lead to important reforms of the CAP. It will lead also to reform of the structural and social funds, which is no bad thing. I think that the west midlands and other regions that have their heart in manufacturing should now be thinking much more about competing for business rather than queueing for grants.

I have no doubt that, as the Community expands its boundaries, the grants that we have been seeing in Britain over the past few years are bound to diminish. If social cohesion and structural funds mean anything, they will be much more carefully targeted at those areas that genuinely are falling well below per capita income in the rest of the Community. The widespread way in which the funds have been delivered so far has not always been the best approach and the funds have not always been best used.

I am not afraid of the challenge of enlargement of the EC. I think it means the opportunity for the region that I represent in part to go out and win new markets, new business and perhaps even new investment for the borough within my constituency.

I mentioned the House of Lords and how it might be dealt with at a later stage. It seems that the RDAs and the general regional set-up to which we are moving will offer sensible and good opportunities if we feel that the House of Lords must be topped up. I suggest that we should be taking from the regions people who could do a good job in a second Chamber that was reconstituted to be a proper scrutinising body. That would ensure that the local knowledge that people brought from their regions to that Chamber was put to best use. If my right hon. and hon. Friends on the Government Front Bench get the message, I hope that they will seriously consider my proposal. I am suggesting that, when we come to reform the second Chamber, the regions should be properly represented. That will at least give a link with democracy, because many of those on regional bodies will come from elected local authorities. We can take the best that is in the regions in terms of individuals' experience and knowledge and bring that into the parliamentary process to ensure that legislation truly reflects the regional needs of our country.

The Queen's Speech, and all that we have heard today, meets the test of being an important addition to the second Session of this Parliament, which I think in years to come we shall see as an important turning point.

7.10 pm

Mr. David Amess (Southend, West): Today's weather accurately reflects my mood after the Gracious Speech. I feel thoroughly miserable about it. It was a dreadful speech because its proposals destroy the foundations on which our society is built. It was a speech prepared by a truly rotten Government. The British people are only beginning to understand how rotten the Government are.

In contrast to the speech made by the leader of the Labour party, my right hon. Friend the Leader of the Opposition was articulate and spoke a great deal of common sense. I can best sum up the speech of the leader of the Labour party by referring hon. Members to the programme produced by Harry Enfield, in which we all observe the sermon of platitudes. All we heard today from the leader of the Labour party was endless platitudes.

Much of what the Government are doing is aimed at the Americanisation of the United Kingdom. Much as I like America and Americans, the closeness between the leader of the Labour party and the American President is pathetic to observe. The American President lied to the grand jury, then lied to the American people but, in everything that he wants the world to do, the leader of the Labour party follows. The right hon. Gentleman should be ashamed of his attempts to Americanise the United Kingdom.

I do not believe that the British people want our system to be corrupted, as the American system is, but that is what I see happening in this place—where we used to do a good job—day in, day out, week in, week out, and year in, year out. If I hear the word "modernisation" once more—in the Queen's Speech today, we heard it 11 times—I shall scream. I challenge Labour Members to define "modernisation". They know nothing about our history and culture. We know that they hate anything that is old. They hate history. They are interested only in things that are new.

As for the Labour party supporting our senior citizens, I see no evidence of it. Of the Ministers appointed by the Government, by my reckoning only one qualifies as a senior citizen. That is how much they think of elderly people. The Labour Government claim to be compassionate and tolerant. I have seen nothing over the past 18 months to demonstrate their compassion and tolerance, particularly towards their own colleagues. That is the last thing that they demonstrate, but it might be embarrassing for me to highlight examples.

We hear in the Queen's Speech that we are to have open government. That must be the biggest joke of the year. For the past 18 months, everything has been stage managed. It has been a waste of time coming to the House of Commons, because the press are fed with the information a week or two beforehand. With one or two honourable exceptions, Labour Members, like stuffed dummies, follow everything that they are told to do by their bleepers. When I first came to Parliament, we had a big Conservative majority, but we had more guts and gumption than Labour Members. They know only too well that what their Government are doing is plain wicked, yet very few have the guts to stand up and challenge their Government.

The Government trumpet, "Education, education, education", but we all know Labour's hypocrisy on education. When there was a Conservative Government, Labour Members said one thing and did another when it came to their own children's education. Now that they are in office, how are they delivering education in our constituencies? They claim that they will reduce class sizes to 30. I challenge any hon. Member to come to my constituency, Southend, West, where every primary school is full, and tell us how we can have classes of 30 or fewer. We do not have any grass to put portakabins on. We do not have room in our playgrounds for extra classrooms. In Southend, West, classes of 30 are not deliverable.

A few weeks ago, I attended one of the new training sessions for our teachers. I witnessed at first hand this arrogant Labour Government humiliating teachers. There the teachers were, in front of lecturers, being told how to teach numeracy and how to teach writing, because every class is to have a numeracy hour and a literacy hour. The Government are destroying teacher morale.

Two weeks ago, I was privileged to speak at the Durham union. I proposed the motion, "That this house believes that Labour has misled the nation." I am delighted to say that we won. When the Labour spokesman got up to talk about education, he was shouted down by the students at Durham, who had been misled about tuition fees as they have been misled about many other things.

I am proud that, in my constituency, I have four superb grammar schools. It is ironic that three products of our grammar schools in Southend, West sit on the Labour Benches. Grammar schools represent the finest traditions in this country. Unless the Labour Government can come up with a better proposal to replace them, they should be ashamed of trying to destroy our grammar schools. I and my Conservative colleagues intend to fight them to the end, as I am sure people will do throughout the country.

Mr. Clapham: Tell us about Basildon.

Mr. Amess: I am happy to speak about Basildon, about Southend, West or about any other constituency that needs a bit of profile, but I was about to deal with the economy.

The Labour Government pretend that there is no slump. I do not know to whom they speak but, regardless of what the hon. Member for Wolverhampton, North-East (Mr. Purchase) said, wherever one goes throughout the country, business women and business men all say that their order books are falling. The difference is that, instead of boom and bust, there has been no boom at all during the past 18 months of Labour economic management, while the economy is rapidly going bust.

The leader of the Labour party challenged Conservatives to say where they stand on the position of the Governor of the Bank of England. I am proud to say, although I may speak only for myself, that I am totally opposed to the Governor of the Bank of England being given the power to set interest rates. I have no doubt that that has damaged the economic situation and deepened the recession. We all know why Labour did that—so that the Governor of the Bank of England could be blamed when the economy goes wrong.

People have no faith in the Labour Government because of their mismanagement of the economy. In Southend, we have high unemployment. There is nothing in the new deal to deliver jobs for people there.

Over the years, the wicked Labour party has pretended that the Conservatives do not care about the national health service. I wish that Labour Members of Parliament

[Mr. Amess]

could have been in my constituency headquarters, Iveagh hall, last Tuesday when we had an open meeting of health professionals, including consultants, doctors and nurses. They were overwhelmingly not members of the Conservative party, but it was interesting to listen to them.

The Government managed to increase hospital waiting lists to 1.3 million, but, miraculously, within two months that number fell. We now know that that was because of six fiddles by the Secretary of State for Health—subsidiary waiting lists; the waiting list for the waiting list; withdrawal of routine operations; reprioritisation; administrative clean-up and reduced referral rates from general practitioners.

Time after time in my constituency last week, we listened to anguished health professionals, outraged that the Government are wasting money on ridiculous initiatives to reduce waiting lists when the result is that out-patients suffer and waiting lists grow longer. The general public in my constituency has no faith whatever in what this rotten Government are doing to the health service today.

The Leader of the Labour party made his name on crime. He promised to be tough on crime and tough on the causes of crime. Go to any high street and ask the general public whether they think that the Labour party is doing a good job on crime. They certainly do not believe that it is. My chief of police is 26 under establishment and he is prepared to go public on that. It is a waste of time to question Home Office Ministers in the House. The Minister at the Dispatch Box simply says, "Hands up, it ain't me, guv. It isn't my fault at all. It is all the fault of the local authority."

In many constituencies, graffiti is a great annoyance to the general public. When Southend put in a bid for closed circuit television, as ever it was turned down. I hope that the Government will take seriously the problem of graffiti, and rather than resting on the local government settlement, earmark money dedicated to doing something about graffiti in Britain. It is a serious matter. We want those who deface our signs and streets caught and we want to see them punished.

The Labour party knows about everything, but in fact it knows the value of nothing. This rotten Government have broken up the United Kingdom. I cannot think of a more stupid thing to have done at this moment in our history. Everyone knows that from strength comes power and, with strength, one is listened to.

As to closed lists for European elections, it is completely undemocratic for political parties to sit around in closed rooms and list their people from one to nine. I entirely agree with the bishops and others who say that, for moral reasons, we should know all about the individual candidates and be entitled to vote accordingly.

When we were summoned to the other place to listen to the Gracious Speech today, when the abolition of hereditary peers' right to sit and vote in the other place was announced, for the first time ever hon. Members said, "Hear, hear." That devalued hon. Members in everyone's eyes. It made them look pathetic and small minded. Those hon. Members who bother to toddle down to the other place to listen to debates will know that half the time the Members there speak much more sense than hon. Members here, particularly those on the Government Benches.

I never heard any Labour Members protest whenever, during the past 18 years, the other place voted against the Conservative Government. However, the Conservative Government would listen to what was said in the other place and, if a Bill were returned two or three times, would amend the legislation accordingly. The difference between that Conservative Government and this Government is that, because the Government are led by someone who Harry Enfield says is like a vicar, they cannot do anything wrong.

Mr. Robathan: Does my hon. Friend recall the occasion on which the Prime Minister, as shadow spokesman on the Home Office, specifically said that a Government defeat in the other place was a victory for common sense? There was no call then for its abolition.

Mr. Amess: My hon. Friend is entirely right, but, as we all know, the Labour party is not interested in history. The fact that it said that then does not count at all now.

On Europe, who is kidding whom? We all know that the Chancellor, who wants the Prime Minister's job, is softening us up to join the single currency. Thank goodness the Conservative party is the only one united in its opposition to the single currency, a united states of Europe and one Government. The British people will support us overwhelmingly on that.

The leader of the Labour party was a paid-up member of the Campaign for Nuclear Disarmament. That must not be mentioned now because the Labour party is not interested in history—it is interested only in modernisation and new Labour. Just look at what the Government have done to the Territorial Army. The TA consists of decent men and women who defend Britain and it is taken seriously. With no knowledge, the Government have practically destroyed the very foundations of the TA, and they should be ashamed.

What is ethical about the Foreign Secretary's foreign policy? Wherever he goes, there are rows and arguments. For the first time ever, we have not signed up to the United Nations condemnation of China's human rights record. We heard today why not. The Chinese leader has been invited here next year.

The President of the United States telephoned his poodle, and we agreed to bomb Afghanistan and Sudan. We know only too well that the bombs turned out not to have hit their target. With one or two honourable exceptions, Labour Members said nothing about that.

Local government is to be modernised. Every week, the newspapers carry stories about some corrupt Labour-controlled local authority. It was laughable to hear the intervention from the hon. Member for Slough (Fiona Mactaggart) today. Her local authority is being investigated. Wherever one looks on the Labour Benches, there are Members whose local authority is being investigated. However, local government is to be modernised, so that problem will be sorted out.

Finally, the Queen's Speech referred to other measures being laid before us. I, like my right hon. Friend the Leader of the Opposition, am overwhelmed by the power of the Deputy Prime Minister. He has managed to secure for himself a huge chunk of legislation. It was noticeable that he became very excited and sought to intervene. Southend, West badly needs some help for transport.

Two weeks ago, we had a debate on quarantine. Yesterday, the Minister of Agriculture, Fisheries and Food had the cheek to claim credit for the ending of the BSE crisis. There was no mention of the German Government, whose Chancellor will be visiting us next year. Whenever someone reaches high office, the Prime Minister becomes his great pal. For the Minister of Agriculture to claim credit for the ending of the BSE crisis is laughable. Why have not the Government introduced legislation on quarantine? I listened carefully to what the Minister said in the recent quarantine debate and all hon. Members said that we could not possibly wait three years for legislation. If I am lucky in the ballot for private Members' Bills, I hope that I will have Government support in bringing forward such a Bill.

The reality of life is represented by a telephone call that I received yesterday, telling me that one of my constituents had died of hypothermia. My constituent—a Polish gentleman aged 73—came to my surgery on about four occasions. I, as a Conservative Member of Parliament, tried to help him; the Lib-Lab council tried to help him; and the Labour Government, through the Department of Social Security, also tried to help him. We all failed—the man is dead. I am not blaming anyone, but it seems that, for my constituent, we did not manage to fix this new world that we have entered.

The Government have let everyone down, and they have let themselves down—the Gracious Speech is evidence of that. The sooner the people of the United Kingdom have the opportunity to throw the Government out of office, the better. The sooner they go—before they do any more damage to the United Kingdom, the better for all of us.

7.31 pm

Mr. Michael Clapham (Barnsley, West and Penistone): You will be pleased to hear, Mr. Deputy Speaker, that I am not going to follow the rant of the hon. Member for Southend, West (Mr. Amess). First, I congratulate my hon. Friend the Member for Bassetlaw (Mr. Ashton) on the way in which he moved the Loyal Address. He did so in a witty way, and he was complemented by the seconder, my hon. and learned Friend the Member for Edinburgh, Pentlands (Dr. Clark), who made an eloquent speech.

The Queen's Speech shows the Government's commitment to the agenda that they set out 18 months ago, and the Bills that are outlined in it show that the Government have distinguished themselves from the Opposition in the policies that they have put forward. On productivity, the Queen's Speech makes the point that my right hon. Friend the Chancellor has, over the past 18 months, set out to stabilise the economy. In doing that—and in avoiding the boom and bust that we experienced over the previous 18 years—he has referred to how he will concentrate on productivity and improve it, and how he will address the issue of competitiveness.

In the previous Parliament, I was a member of the Trade and Industry Committee. In 1994, we considered the issue of competitiveness to identify the features that make it up. The Government of the day responded to the Committee with a White Paper—the first on competitiveness for 10 years—and noted the points made by the Committee. In so doing, the Government drew attention to the need to tackle the issue of competitiveness, which they had neglected for so long.

The Trade and Industry Committee identified a number of characteristics that make up competitiveness—for example, education, training, innovation, marketing and management. Innovation was also badly neglected over the previous 18 years. Although the previous Government acted and introduced business links—on the initiative of the Labour party in opposition, whose idea they were—they failed to connect them to a conduit which would have linked them to universities and colleges. We could have had a technology transfer that would have been enormously helpful to small and medium enterprises.

In considering competitiveness, I hope that my right hon. Friend the Secretary of State for Trade and Industry will take on the suggestion that we may be able to link business links into technology transfers by connecting them to universities and colleges.

The Government have started to deal with education, and £19 billion has been made available to it. The hon. Member for Southend, West was rather churlish about Labour's improvement of the education system. He knows full well that, for the first time ever, nursery education is available to all parents who want it for their four-year-old children. By 2001, it will be available to parents who want it for their three-year-old children. The improvements are there. At the same time, the Government are determined to get class sizes down to 30 and, in so doing, to increase pupils' opportunities by making better attainment levels possible for them.

Improvements have been made in education, which is so important in respect of competitiveness. For example, the education systems of our main competitors—Japan, Germany, America and France—have been so much better than ours, especially the German system, because of the way in which the Germans have been able to link academic education to vocational education. We need to consider that.

Mr. Malcolm Moss (North-East Cambridgeshire): Is the hon. Gentleman therefore vouching that we go down the road of the German education system, which of course has grammar schools?

Mr. Clapham: I am vouching for our need to develop that better connection between vocational and academic education, which is something that we have never developed. The hon. Gentleman will know that, in the 1960s, the Robbins report suggested that we should have separate universities—the polytechnics were universities that would deal with the practical application of knowledge. We had to go down that route, because the established universities did not want to take on what they considered to be education for mechanics.

The Germans have developed a system in which they have been able to connect vocational and academic education. The hon. Member for Southend, West talked about history and said that Labour was not interested in it, so the hon. Member for North–East Cambridgeshire (Mr. Moss) may be surprised to hear a statistic from 1870: in Germany, there were 111,000 pupils in secondary education; in this country, there were 11,000. The Germans started to realise education's importance to competitiveness way back. We are beginning to deal with that, although we have also had to deal with the legacy of the past 18 years. Consequently, we have had to concentrate a great deal of resources and effort on the education system, but things are beginning to move.

[Mr. Clapham]

For example, because of the legacy that we picked up, Labour has had to introduce the new deal to give young people an opportunity. Many young people who are benefiting from the new deal were previously thrown on the scrapheap—they did not have an opportunity. It has given people opportunities and, as we heard today, we have created 30,000 new jobs through it.

The new deal is working, and I can tell the hon. Member for Southend, West that in my constituency—where there is a considerable rate of unemployment, as there is across Barnsley—employers have been quick to work with it. Young people who would not otherwise have had an opportunity are beginning to be given skills that they can use in the market.

The new deal is beginning to work, and I should like training and enterprise councils to ensure that there is also an element of education where the new deal connects with the training that they provide. Instead of there being only specific training on the job, there should be a link to education to create the opportunity for the worker who is being given new skills to be much more flexible in the market.

The features of competitiveness were well identified in the Trade and Industry Committee report. Innovation is so important for competitiveness that we need to develop a conduit from university to company. A recent study by the Coalfield Communities Campaign shows that real unemployment is as high as 24 per cent. among mining communities in Barnsley, which has high unemployment. Income per household in my constituency and Barnsley generally is just 55 per cent. of the national average and productivity is 64 per cent. of the national average. In the current global economy, it is clear that new jobs and foreign investment will not be transplanted to areas like Barnsley, but that we need to develop our home-grown industries. We need a link with local universities such as Sheffield and Leeds so that both marketing and innovatory skills can be transferred to the production line. It is extremely important to develop the transfer of technology link.

My constituency and Barnsley generally have enormous problems, but the Government have already started to tackle them. Although it is not mentioned in the Gracious Speech, the coalfield task force has reported. At its conference on Monday 1 December, the Deputy Prime Minister will make an important statement on the implementation of the task force's recommendations. Eighty recommendations form a package that will be enormously helpful to coalfield areas. The moneys can be drawn from the surpluses that were paid to the previous Government. In 1994, the previous Government drew up a formula whereby half the surpluses from the mineworkers' pension scheme were taken by the Government. During that period, the Government sold off British Coal's land, which raised well over £1 billion. The money is therefore available to regenerate the coalfields. Thus the Government are taking positive action to help areas that were badly neglected by the previous Government.

It would be helpful if, instead of being churlish, Opposition Members would read the Gracious Speech and recognise that substantive issues are outlined in it. On reform of the House of Lords, it is clear that the hereditary principle is totally out of step with a modern democracy. The Government propose to withdraw the hereditary principle. In the transitionary stage, before implementation of an elected second Chamber, the second Chamber could be composed of people who represent the regions, as my hon. Friend the Member for Wolverhampton, North-East (Mr. Purchase) suggested. Regional development agencies and regional assemblies will soon come into being and people elected to those could be appointed to the second Chamber. A number of alternatives could be considered while the royal commission decides on an electoral system for the second Chamber. It is therefore churlish of Conservative Members to say that the Government want a controlled second Chamber. That is simply not true.

Had Opposition Members read the Gracious Speech, they would have seen that it introduces a number of substantive Bills that will bolt on to the first 18 months of a Labour Government and prepare the path for progress.

7.45 pm

Mr. Andrew Robathan (Blaby): I am pleased to follow the hon. Member for Barnsley, West and Penistone (Mr. Clapham), whom I believe to be a man of principle. He resigned his important position in the Government over a matter of principle, so I hope that he will accept that many Conservative Members object to the proposed changes to the House of Lords as a matter of principle. It is not acceptable to scrap hereditary peers without knowing what will replace them. I am happy with change to the second Chamber if we know what is coming along the road. We do not seek to defend outdated practices, but we do not want a second Chamber that is less independent than the hon. Gentleman has already been in this Parliament.

It is a sad reflection on the manner in which the Government have treated this House that both sides of the Chamber are extremely empty for this debate. I suspect that some Labour Members have been pressed by their Whips to make long speeches. I would exempt one or two, but I see from the smiles of others that they have been pressed.

I join other hon. Members in congratulating the proposer and seconder of the Humble Address, particularly the hon. Member for Bassetlaw (Mr. Ashton), who made an entertaining and wry speech.

The opening paragraph of the Gracious Speech says that Her Majesty's Government

"will focus upon the modernisation of the country".

The right hon. Member for South Shields (Dr. Clark) spoke about the need to modernise the country and catch up with the rest of the world. Perhaps I am not entirely awake on this matter, but I do not see what the Government want to modernise. Is it Heathrow, which is the busiest, or second busiest, international airport in the world? Is it British Airways, which has been voted the world's favourite airline? Is it the dealing rooms of the City of London, which make London one of the world's financial centres? Is it our armed forces in Bosnia or the Gulf? Is it the fact that we now hold, for good or ill, the world land speed record?

Perhaps the Government want to modernise traditions. I suspect that many Labour Members do not like the carriages, the Household Cavalry and much of the pomp and circumstance that go with this morning's Queen's

Speech, for instance. However, the Minister for the Cabinet Office, the right hon. Member for Copeland (Dr. Cunningham)—the so-called "Cabinet enforcer"—said that he was quite happy with traditions as they form part of the country's history.

I suspect that "modernisation" is simply a slogan—slick, but meaningless. It is rather like the slogan "cool Britannia", which was trumpeted around the country, but has now been dropped because it was meaningless and became embarrassing. I fear that the modernisation slogan has little substance.

The Gracious Speech is practically empty. Let us look at what is not in it. It does not mention the proposed referendum on proportional representation. Personally, I am delighted, but why is there no mention of the so-called "independent" commission led by Lord Jenkins, which came out with the amazingly un-independent idea that we should have a voting system that favoured the Liberal Democrats—his own party. If Liberal Democrat Members do not understand why the Queen's Speech does not mention that commission, I must tell them that it is because of the 50-50 split in the Labour party—among Cabinet and Back-Bench Members—on whether to have proportional representation. The Liberal Democrats should understand that they are unlikely to get a referendum or proportional representation unless the Prime Minister can square it with Labour Members.

The Queen's Speech contains nothing on the Neill report's sensible recommendations, with which Conservative Members agree whole-heartedly. We particularly go along with the suggestion that a referendum should be fairly funded on both sides. Decent and honourable Members from both sides would agree that that is fair. I thought that the Queen's Speech would contain a commitment to legislate on the Neill report's recommendations on party political funding, but the Government seem to have dropped that measure. Why? Is it because they did not like those recommendations?

The Government are currently pouring money into a disingenuous propaganda campaign about preparing businesses for the euro. That should come under the Neill report's recommendations, and should be examined.

The Queen's Speech does not contain any mention of a rail authority or an integrated transport system. It refers to consultation, which I welcome, but we had a White Paper last year and I commented on it. It contained much that was good. I am all for improving our transport system, but sadly the proposal was too contentious, and the Deputy Prime Minister's measure was dropped.

Why does the Queen's Speech not include a freedom of information Bill? There will be further consultation, but much consultation has taken place over the past 18 months. Is there no Bill because members of the Government are divided on the matter? I am quite happy that it does not include such a Bill, but the argument is taking place within the Government, and the Cabinet is split.

Why is there no mention of a food standards agency? It sounded great when Labour were in opposition, but it is more difficult to achieve in government.

Mr. Beard: The food standards agency was included in the Gracious Speech.

Mr. Robathan: It was included, but there will be no legislation. The hon. Gentleman must know that it has been pushed gently into the long grass. There will be a little more consultation, which I am not against, but we have been discussing this matter for the past 18 months.

I welcome the commitment to the public-private partnership for the Commonwealth Development Corporation. I am a member of the Select Committee on International Development, which has already discussed this sensible measure.

I also welcome the Government's policy on Iraq. Although it was alluded to only briefly in the Queen's Speech, we are now talking about indicting Saddam Hussein. I pay tribute to the hon. Member for Cynon Valley (Ann Clwyd), who has been pushing this matter for some time, as have I. The Foreign Secretary has always dismissed the idea of bringing Saddam Hussein before an international tribunal before a United Nations international court is established. I am delighted that we are now considering setting up a special tribunal to indict Saddam Hussein, and to separate him from the peoples of Iraq, whom he terrorises.

An asylum Bill is proposed. The Labour party bitterly opposed the Asylum and Immigration Act 1996. I understand that the Bill will give a de facto amnesty to up to 30,000 asylum seekers. Past practice shows that 25,000 or more of those asylum seekers would be judged to be economic migrants. Such a Bill is not good for the workings of the system or for justice, because it would let down asylum seekers who behave properly. My constituents, be they of English or Asian descent, would feel that the justice system had failed.

On the European Union, the Queen's Speech says that the Government will work to reform the common agricultural policy. All right-thinking hon. Members would applaud that, but the Government will need to have a great deal more influence. It is easy to say that they want to reform the CAP—I want it to be reformed—but what will they do about it? I fear the answer is that they will do nothing. We have insufficient influence, and in my opinion the CAP is not reformable. It is highly costly, environmentally destructive and corrupt and should be scrapped.

Why does the Queen's Speech contain nothing on the single currency? It is because the Labour party is split on that issue. The Prime Minister spent half his speech attacking Tory policy, but he did not say what his policy is, because that would have shown up the divisions in his party. Perhaps we should ask Rupert Murdoch what Labour's policy will be. I would love to hear Labour policy being trumpeted from the rooftops, instead of the Prime Minister being negative and acting as if he is still the Leader of the Opposition.

There is a commitment to the reduction of the homosexual age of consent. The Government are out of step with their focus groups. Apparently, 75 per cent. of the British people believe that the homosexual age of consent should not be reduced. The Lords did the Government a favour in the last Session. The amendment tabled by the hon. Member for Bassetlaw was defeated on a free vote. I understand that the Government intend to bring it back, and I think they are right to do so if they are to reduce the homosexual age of consent. I shall oppose the measure, because it has nothing to do with equality, but the Government should acknowledge that the Lords did them a favour.

[Mr. Robathan]

Finally, I shall deal with the abolition of the hereditary principle in the House of Lords. As I said to the hon. Member for Barnsley, West and Penistone, this should be a matter of principle for all of us. What is proposed is not reform, because that would lead to a new second Chamber. A unicameral Parliament has been suggested. That is a respectable position to take, although it is not one that I take. The hon. Member for Wolverhampton, North-East (Mr. Purchase) and the right hon. Member for Chesterfield (Mr. Benn) thought that that would be a good idea. To replace an admittedly imperfect system with one that is worse—a system of cronies and appointed patronage—cannot be right.

Who might the cronies be? They may have been the Prime Minister's pupil master or someone who had shared a flat with him—both are Ministers in the House of Lords. They could be people who have attended dinner parties with the Prime Minister as part of the so-called Islington mafia, or people who have been donors to the Labour party. That would not provide an independent Chamber. All right-minded people in the House and outside believe that it should be a sensibly reformed second Chamber, perhaps even an elected Chamber, but not one that is in the pocket of the Prime Minister of the day. The current plans do not serve democracy. The royal commission should report and we should have a sensible discussion so that we can improve the second Chamber.

The most interesting aspect of the Prime Minister's speech was the reaction of Labour Members. While he was speaking, the Strangers Gallery emptied. I counted three Labour Members who went to sleep. I was bored stiff, and I was not alone, because I looked at the faces on both sides of the Chamber. Labour Back Benchers were most certainly not convinced by what the Prime Minister was saying. They could not see the point of it all. That is the reason for abolishing the rights of hereditary peers: it is the one thing that unites Labour. Every time it is mentioned, Labour Members cheer, and they refer to it in their speeches. We even heard the words "hear, hear" in the House of Lords during the Gracious Speech. It was not a rumble of Tory peers' discontent, as the *Evening Standard* alleged; it came from hon. Members under the Gallery who had come from the House of Commons.

The proposal for the House of Lords is not reform: it is a totem, an idol, a touchstone of the left. "Abolish the hereditary peers" is the great battle cry, but is that it for the Queen's Speech? It looks like it. After 19 months, the Government have lost the plot. They have a huge majority, but the Prime Minister has no idea how to enthuse his foot soldiers, largely because he is completely out of sympathy and out of tune with his own party and on a different wavelength.

7.59 pm

Mr. Nigel Beard (Bexleyheath and Crayford): Like the previous speakers, I congratulate my hon. Friend the Member for Bassetlaw (Mr. Ashton) and my hon. and learned Friend the Member for Edinburgh, Pentlands (Dr. Clark) on their witty and eloquent introduction to the debate. I welcome the measures in the Gracious Speech to modernise Britain and to bring the best out in all our citizens. That is what the British people wanted when they turned to Labour last year, and our velvet revolution will continue, despite the threat from the dark ages as hereditary peers mount their last hurrah.

Like a fool playing in the road to hinder the next stage of the great expedition, the Tory party will incur the wrath of the British people if it mobilises feudalism to block Britain's progress into the 21st century. How barren the Tory vision is in the coming years, given that the two great occasions that it can foresee are the battle for the hereditary peerage and the battle to isolate Britain from the mainstream of Europe. Gone is the Churchillian vision of Britain in the world; it has been replaced by the pathetic illusion of "Britain is the world".

For all that we must and will modernise Britain, we must not narrow our vision to a preoccupation purely with issues at home. There are currents in the great ocean of international affairs that could knock us off course at home if we do not deflect them, or at least dissipate some of their energy.

Practical men and women may justifiably say, "But at home we can do something. These international issues are intractable: they involve action by others besides ourselves, and we cannot move unless the Americans lead." I recognise some of those realities, but they do not absolve us from doing what we can, and what we can do may be many times greater than we imagine.

At present, the American President is incapacitated by threats of impeachment; the German Chancellor is new; the Russian President is ill, and faces the bankruptcy of his economy. Japan is so near to crisis that natural introspection is being intensified. Moreover, the European Union is in as strong a position as the United States, economically, to give a world lead. No country is better placed than Britain—through the European Union, NATO, the Group of Seven or the United Nations, or through direct diplomacy—to give such a lead.

What, then, are the commanding international issues? First, there is the stabilisation, through regulation, of global financial markets, to stem the maverick forces of financial fluctuations on economic policy management. That includes the reflation of European markets to counteract the recessionary forces that are arising from both Asia and Russia. Secondly, there is the promotion of stable economic growth in developing countries, and the fostering of democratic integrity among the regimes that run those countries. Third, and by no means least, is the managed elimination of nuclear weapons and civil nuclear hazards. That includes the future of the START 2 treaty, the future of the non-proliferation treaty and the decommissioning of unsafe nuclear power stations.

I want to consider those issues in turn. Following the east Asian and Russian financial crises, the Group of Seven has agreed codes of practice designed to give an accurate and clear picture of the financial condition of individual countries—so-called transparency. The position will be monitored by the World bank and the International Monetary Fund. There is no doubt that that constitutes a good first step, but a good first step is what it is. There are countries in which effective government does not operate, and in that context such an orderly process will be meaningless unless it is added to.

Equally, measures that treat American practices as a common worldwide standard at best will not suit the diversity of economies that are developing their own style and idiom, and at worst will be treated with hostility and suspicion.

In the next few years, the world will need to establish institutions that command the confidence of both developed and developing democracies, while allowing capital flows between countries without the destabilising effect of laissez-faire international capital markets. Britain—as a long-time ally of the United States and as a member of the European Union and of the Commonwealth—has a pivotal role to play in the early evolution of such an international financial accord: a Bretton Woods for the 21st century.

Such moves are a precondition for avoiding the worst of the world recession. Europe could indeed be the engine that helps to lift the world out of recession. France, at the start of the Mitterrand era, demonstrated the difficulty of a Keynesian expansion of demand in one country where exchange controls had been lifted; but that need not be true if all the countries of the European Union reflated their economies together, in a controlled and co-ordinated way. With left-of-centre Governments in power in most European countries, the political climate is right for such a move, which would, at the same time, address the problem of unemployment in Europe.

There are two aspects of the problem of nuclear weapons. The first is the control and progressive reduction of the nuclear weapons piled up in north America, western Europe and Russia; the second is the need to avoid the proliferation of nuclear weapons elsewhere in the world.

Progress towards mutual reduction of stockpiles is at an impasse, because the Russian Duma is reluctant to pass the strategic arms reduction treaty that followed START 2. It is crucial for the impasse, and the suspicions that go with it, to be overcome.

Current proposals for the expansion of NATO eastwards not only prevent that impasse from being overcome but, in the unstable Russian political climate of the moment, play into the hands of revanchist Russian nationalists. That is too real a danger.

The position is made worse by the April resolution in the United States Senate which claims the right to station all types of troops in the new NATO territories, and which includes nuclear weapons. It rejects even the concept of the Russian proposal for a nuclear-free zone in central Europe. Moreover, it is possible that putting nuclear weapons in the former East Germany breaks understandings that were solemnly given to President Gorbachev—at least, he believes that they were given to him—by United States Secretary of State Baker and Chancellor Kohl at the time of German unification.

Further afield than Europe, the explosion of nuclear weapons by India and Pakistan has established a dangerous trend throughout the developing world that could in itself nullify all attempts to sustain the non-proliferation treaty.

All those issues are connected, to a greater or lesser extent. A Russian Government struggling with a collapsed economy may well agree to reduce their nuclear armoury in exchange for economic help. A developing country may well forgo the crippling expense of nuclear weapons in return for a guarantee of military help from NATO, and a programme of development aid.

We in the developed world are becoming complacent about many of the issues. Because we have institutionalised negotiations in one form or another, we have come to believe that we have resolved those issues, but we have not. Perhaps if we had had a peace treaty, a peace conference, to mark the end of the cold war, we would have begun to resolve some of them; but we did not. Now we need an initiative to deal with the complex of interwoven and counterpoised issues that will threaten the 21st century if we do not begin to resolve them, deliberately, at the outset.

Britain is in an excellent position to launch such an initiative. There can be no greater gift to the generations of the 21st century than the creation of conditions for peace and prosperity from the experience of the troubled 20th century. The world has seen a Pax Romana, a Pax Britannica and, lately, a Pax Americana; let our legacy for the 21st century be a Pax Democratica.

8.9 pm

Mr. Norman Baker (Lewes): Before I come to the Queen's Speech directly, may I reflect on one or two comments by hon. Members, particularly Conservative Members? I have listened with great interest to contributions from hon. Members on both sides of the House—we have a come a long way from the packed House that we had earlier, when the three party leaders were making their contributions—but the Conservative contributions appear to fall into two camps.

First, there was a great defence of the unelected House of Lords, which appeared to permeate many of the speeches by Conservative Members. I found the defence of the House of Lords and the opposition to the Government's proposal to remove the voting rights of hereditary peers somewhat odd.

It is often said that the House of Lords is full of people who sit independently, think independently, speak independently and then independently vote Conservative; that has certainly been the case on recent occasions in that place. It is true that we have not had another example in which legislation from this Chamber overwhelmingly voted for on five separate occasions has been rejected by the House of Lords. It is not even legislation that is of overwhelming proportions, which might, in some circumstances, justify rejection; it is on the technical matter of open or closed lists. There can be no defence for the House of Lords behaving in that way.

Although it is preferable for the House of Lords to be reformed and for details of how it will be reformed to be coterminous with the removal of hereditary voting rights, by their behaviour on the European Parliamentary Elections Bill, their lordships have forfeited that right to hang on until the royal commission has reported; their behaviour can in no way be justified.

I am going to criticise the Government, by the way, just in case hon. Members think that I am not—I assure them that I will—but let us give credit where credit is due. We do not have a Government who are tearing up the fabric of the nation, or one of the other colourful phrases that come from Conservative Members. Silver Stick in Waiting has gone, but Gold Stick in Waiting is still there. The pace of reform is quite slow and some of us would like it to be speeded up, rather than stopped in its tracks.

The other element of the Conservative contribution is a depressing one not only perhaps for someone who is from a Liberal Democrat background, but for someone who has operated in the real world and on other elected bodies such as councils. It is nonsense to say that everything that

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this Government do is wrong and everything that the previous Government did was right. Those two premises are wrong.

No Government are entirely wrong all the time; not even the previous Conservative Government were entirely wrong all the time. Even a broken clock is right twice a day, so it is nonsense to take the adolescent approach of saying that everything that the Government do is wrong, which we heard from the hon. Member for Southend, West (Mr. Amess), who is no longer in the Chamber, and from others. It is much more constructive to say that the Government are right on these particular issues and wrong on those particular issues.

That is one of the reasons why the Liberal Democrats in this Parliament are proving to be the sensible Opposition and why we have much more influence over the Government than the Conservative party, which is four times our size in the House of Commons. It is the art of opposition. The Conservatives have been out of practice for some time and have not mastered it.

Mr. Robathan: I thought that there was a pact between the leader of the Liberal Democrat party and the Prime Minister and that there was a Cabinet seat, or a Cabinet Committee seat, here and there. Is the hon. Gentleman certain that he is still in opposition and that he is not an appendage to the Government? I ask that because Labour Members appear to be concerned that Liberal Democrats are just another arm of the Government.

Mr. Baker: I am happy to give the assurance that we are not part of the Government; nor are we an appendage of any sort. There is no talk of Cabinet seats. I am happy to tell the hon. Gentleman that we are retaining our full independence. We will continue to do so and to lead the opposition to the Government, as we did on tuition fees, beef on the bone and a range of other issues, but we will also push them on areas where we can influence them and persuade them to move in the right direction.

Having talked about the Conservatives, I turn to the content of the Queen's Speech. As hon. Members on both sides of the House have said—though more, I confess, from the Conservative side—the Queen's Speech is notable for what is missing, rather than for what is in it. That is a great pity. As my right hon. Friend the Member for Yeovil (Mr. Ashdown) said, in the second Session of the Parliament, with a big majority, a big mandate, a basically supportive public, a basically supportive House of Commons on all sides, apart from the Conservative side—I include the nationalists and many of those who represent Northern Ireland seats—the Government have not taken the opportunity to introduce a programme of radical reform.

It is a pity because the public wanted that radical programme, rather than this careful nudge, nudge approach of gradually removing problems, gradually rolling back what the Conservatives have done, and gradually moving forward on certain fronts. They wanted more than that.

My main criticism of the Queen's Speech is not that it is terribly wrong. It is not that there are things in it that we do not like; there are, but, by and large, it is harmless enough. But is that what we want to achieve? Do we want a harmless Queen's Speech, or to do something that will transform the landscape of our country? It is a missed opportunity. I am sad about that. I would have liked the Government to be much more radical. They would have received support from the Liberal Democrats if they had taken that approach.

In an intervention, the hon. Member for Stafford (Mr. Kidney) made the point about draft Bills. I am in favour of such Bills because they allow mature reflection on legislation. They allow matters that are clearly wrong to be eradicated earlier, and the Government to back down, if the truth be known, without losing face. It is sensible to have such an arrangement, but I am against draft Bills on matters that have been subject to huge introspection and consideration already. As the hon. Member for Blaby (Mr. Robathan) has said, the freedom of information legislation is a case in point. The food standards agency is another.

Those two proposals have been well worked out. The right hon. Member for South Shields (Dr. Clark), for whom I have much respect, did much work on that and said that the Bill would be ready by the end of September. I am sure that it was, but he was sacked for being too radical and the freedom of information Bill was transferred to the Home Secretary, who is known to be sceptical about it.

That is the reality. The Home Secretary wants some time to water the thing down; we all know that. It is pity that he has got away with that, and it is a pity when hon. Members who are radical, such as the right hon. Member for South Shields, are not allowed to bring forward legislation.

The story about the food standards agency—I would be interested if anyone tries to correct this—is that it was going forward and that members of the Government, including the Minister of State, Ministry of Agriculture, Fisheries and Food, fully supported the agency, but that the new Minister of Agriculture, Fisheries and Food has come in and his civil servants have tried to do a job on him to persuade him that the agency is not a good idea and that much of MAFF's empire will be lost.

That is the story in the papers. I do not know whether it is true, but I do know that a food standards agency Bill could have been introduced in this Session and has not been. No convincing reason has been given by any Labour Member as to why that has not been progressed in this Session of Parliament. Again, that is a great pity.

I want to spend the rest of my time talking about the environment, which is, after all, my portfolio responsibility. My greatest regret about the Queen's Speech and, indeed, about the Government is that sufficient attention is not given to the needs of the environment, despite the clear conviction politics of many Labour Members and their dedication to environmental issues, which I do not doubt; it was clear during their years in opposition. However, that commitment has not translated itself into action in the Government and particularly not in the Queen's Speech.

Mr. White: The hon. Gentleman says that the Government have not done anything on the environment, but he ignores everything that has happened in Kyoto and

the work that the Deputy Prime Minister has done. He says, "The environment—nothing is happening," but a great deal has happened because of the Government.

Mr. Baker: I did not say that nothing was happening. I said that there was no Government commitment to environmental legislation in this Parliament or this Queen's Speech. I will come on to the work of the Deputy Prime Minister shortly. He has done a good job—credit where credit is due.

When I intervened on the Prime Minister some 35 minutes into his speech earlier today, he had not mentioned the environment once except in an oblique reference to a comment from the Leader of the Opposition about brown-field sites. The Government say that the environment is at the heart of their policy making. The Government's heart must be in their boots because the environment is nowhere near the centre. The environment is not mentioned until seven lines before the end of the Queen's Speech. That is all there is. It is an afterthought tacked on to the speech—we used to accuse the Conservatives of tacking on the environment. At the end of a long Queen's Speech it says that the Government

"will continue their leading role in protecting the environment, including the global climate."

It is a great pity that that is the only place where the environment is mentioned.

Mr. David Drew (Stroud): I hope that the hon. Gentleman will agree that that is indicative of a new style of politics. We are moving towards a consensual approach rather than legislating and then trying to take people along afterwards. I wonder what opinion he has about that.

Mr. Baker: To be honest, that seems a rather odd intervention. I am all in favour of consensual politics, but if legislation is required, it should be forthcoming. I will demonstrate why I believe that legislation is necessary in certain circumstances.

I believe that the Deputy Prime Minister has done a surprisingly good job. He had a very good track record in transport before the general election and everybody acknowledged that he was a good shadow spokesman. He held the then Government to account very well. We were looking for good things from him when he took office in the Department of the Environment, Transport and the Regions. I believe also that the junior Minister—I hope that that is not an insult to the Minister for the Environment, the right hon. Member for Oldham, West and Royton (Mr. Meacher)—has done a good job. In fact, the entire Department understands the issues well and pushes them forward. The problem is not within the Department. The problem is that the understanding within that Department is not manifest in other Departments and there is no legislative time for the necessary measures.

Sadly, the Deputy Prime Minister has lost out in the argument for legislative time. He has lost out to the Department of Social Security and others. I am sorry about that because we need environmental measures. We need action on transport in particular. Between 1974 and 1996, the cost of motoring fell by 3.5 per cent., notwithstanding the petrol price increases that the Tories were happy to introduce but are now trying to disown. The cost of rail travel during that time rose by 74.8 per cent. and the cost of bus fares rose by 57.5 per cent. That is not a transport scenario that anyone can support and the free market has made things worse.

In opposition, the Labour party was keen to improve the railway system. It opposed privatisation, as did my party. When privatisation went ahead, the Labour party pledged to renationalise Railtrack, which was also my party's policy at the general election. That was then watered down to the creation of a strategic rail authority, not a strategic transport authority, which is what we really need. That has now been watered down further and we are reduced to having a pale shadow of a strategic rail authority whose powers are unclear and to the Deputy Prime Minister having a meeting with the train operating companies on 26 November when he will shout at them and try to get improvements that way. It is sad that it has come to that.

We have from the Government no cohesive plan to identify and reopen closed stations or lines or to use the potential for passenger transport that is available on some freight lines and there is no plan to identify potential freight terminals. There is confusion, which needs to be sorted out by legislation—that picks up my earlier point—over the allocation of train paths by Railtrack. Railtrack has the power to help passenger traffic at the expense of freight traffic and there is some evidence that it is doing that.

English, Welsh and Scottish Railways, which is one of the successes of privatisation, has a proposal to treble rail freight over the next 10 years. It is a very good company and it is doing very well, but it will not be able to do that unless it gets the necessary train paths. Railtrack is already being unhelpful to that company. That needs to be sorted out by a strategic rail authority and not left in the hands of Railtrack, whose motives are governed by profit rather than what is best for the railways. That is an example of where legislation is necessary for the railways.

There are other problems with the railways. There is a lack of new rolling stock. Anyone who lives in my part of the world, down in Sussex, will know of the poor rolling stock on Connex South Central. The rolling stock on the line from Lewes has been in use since 1963 and that is not untypical of the rolling stock on that franchise.

I believe that Connex is the only franchise that has come up for renewal at this point and the Government's one act has been to refuse to renew the franchise. Of course, the franchise should not be renewed automatically, but in my judgment—I may be wrong—Connex South Central had a package of improvements to the rail service in my area which justified an extension to its franchise. It included new rolling stock, electrification of particular lines and other goodies. It is a shame that that decision was made. I question whether it was made for dogmatic reasons or on the basis of a financial assessment of what was best for the country.

There is worsening punctuality up and down the rail network and rocketing prices in some areas. There is confusion over the young person's railcard and the old person's railcard. The national rail inquiry service improved for a while, but is now getting worse. The level of accuracy is now very good, but there is a question over the length of time it takes to answer a call. Those things are getting worse and need to be sorted out. With the best will in the world, cajoling the railway companies, the train operating companies and Railtrack will not achieve that. It could be achieved only by a strategic rail authority, if then. The fact that such an authority does not feature in

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this legislative programme means that we will have another year of misery for passengers on our trains. That is a great pity.

There is a need for legislation on bus transport. As I have said, we should have a strategic transport authority. There is no proper regulator for buses. It is all higgledy-piggledy and, if we are not to have a strategic transport authority, we need an Ofbus. We have seen in the newspapers this week that there are to be massive reductions in long-distance coach trips. Towns such as Weston-super-Mare, which is represented by my hon. Friend the Member for Weston-super-Mare (Mr. Cotter), will be without their long-distance coach routes. There is no minimum standard or requirement for such coach trips and National Express has just decided to cut them. I do not know whether there was any consultation with the Government, but I suspect that there was not.

The Government say that they are genuinely committed—I am sure that they are—to trying to get people out of private cars and on to public transport; but that is being undermined by the withdrawal of National Express services, the deterioration of rail services and the failure to regulate the bus industry. We need legislation so that the Government can put their intentions into force or they will find that they are pouring water into one end of the funnel while it is coming out of the other. That is a great pity.

Figures show that 59 per cent. of car journeys are under five miles and the school run has increased from 12 per cent. of journeys to 26 per cent. in the past 20 years. The Royal Automobile Club, which is hardly the most environmentally friendly organisation—it says that it is becoming more so—says that 20 per cent. of car journeys could be avoided if other means of transport were used more efficiently. We need a clear lead from the Government, but we have not got it. There are other issues such as through ticketing which need to be dealt with by a strategic rail authority. It is a great pity that those things are not in the Queen's Speech for the forthcoming Session.

Another transport problem involves ferries, which is a great problem for my constituency. It is likely—perhaps even more than likely—that the ferry between Newhaven and Dieppe will be withdrawn. If that ferry is withdrawn, the Government can do nothing about it. In fact, the Government have been helpful. Ministers have responded and looked into legislation and they have held meetings, but there is no regulation of ferry services. It is an important passenger service and, unlike railway line services, it does not need permission to shut. The service can just go and nothing can be done about it. All hon. Members representing constituencies along the south coast, regardless of political party, who support the service will be left high and dry by the lack of regulation. There is a need to introduce legislation to protect essential services, such as essential ferry services.

As I said, there is much to be done. I shall raise very quickly only a couple of other issues on which the Government have not done all that they might do to improve their environmental credentials. There will not be a wildlife Bill, although there is a need to protect flora and fauna across the United Kingdom. The Queen's Speech contained nothing about giving proper powers to existing national parks or about helping the South Downs conservation board in my area.

There was nothing in the Queen's Speech about protecting sites of special scientific interest, for which many hon. Members on both sides of the House have pressed very hard. The fact is that, if one wants to build infrastructure, such as a road, the cheapest way of doing so is to build through an SSSI, which has the least value. Such an approach is mad, and it must be changed. Although hon. Members on both sides of the House think that it would be a good idea to legislate on the matter, the Queen's Speech did not mention it.

Dr. Brian Iddon (Bolton, South-East): The hon. Gentleman, like me, is a member of the Environmental Audit Committee, which produced a report a few months ago called "Greening Government". The Government have recently given a response—I read it over the weekend—to the report. Will the hon. Gentleman be gracious enough to admit that the Government have made many promises and agreed with almost all the criticisms that the Committee made in our original report?

Mr. Baker: Yes, I am happy to accept that the Government have made promises in good faith; but it remains to be seen whether the promises are fulfilled. In my speech, I have not touched on "greening government" as the hon. Gentleman uses the term—as a correlated approach within government, which is a key test of how the Government react to environmental issues. The history of this Government and the previous Government—of all Governments—has been a failure to take the environment seriously outside the Department that leads on the environment. It is a key point.

Mr. Kidney: As the hon. Gentleman is so graciously giving some credit to the Government for their actions, will he give some credit to the Treasury for ratcheting up the fuel duty escalator; for providing extra money for rural bus services and innovative transport services in rural areas; for its consultation papers on a variable vehicle excise duty and Lord Marshall's energy tax; and for its 18 proposals—on which progress will be made—in the pre-Budget report, each of which has an environmental aspect?

Mr. Baker: I am always happy to give credit where credit is due, as I hope that hon. Members will accept. However, I think that some of the Treasury's motivations on, for example, VAT on fuel, landfill tax and possibly aggregates tax are not predominantly environmental but revenue raising. Treasury Ministers put a green coat on measures to raise revenue, so that they can claim environmental credit. I shall be happy when Treasury Ministers start to produce a green book, which they have not done; when they are more prepared to accept hypothecated taxes, which they currently are not; and when the Treasury—which likes to think that it is leading edge, although it is not; it is outmoded and old-fashioned—starts to understand that environmental economics is a way to deliver not only good environmental policy but good social and economic policy. When the Treasury takes those actions, I shall give it the credence that the hon. Member for Stafford thinks that I should give it.

I question the motivation of Treasury Ministers. One reason why we have not seen a co-ordinated approach across the Government is that Ministers in the Treasury

and in the Department of Trade and Industry—whom I think of as the environmental bad guys—have used blocking tactics. Neither I nor the Liberal Democrat party is suggesting raising taxes—I should say, before Labour Members say it, not even a penny on income tax—to deal with environmental issues. We suggest that we should change the way in which taxes are raised, so that we have taxes on bad things, such as pollution, and fewer taxes on good things, such as employment. The tax take will remain the same, but we can change tax raising so that it is not only about raising money but about achieving social and environmental objectives.

I should like Treasury Ministers to take much more action than they have taken so far. I hope that the hon. Member for Bolton, South-East (Dr. Iddon) will be good enough to concede that Treasury Ministers' performance at the Environmental Audit Select Committee's hearings was not one that will go down as one of the best in the annals of this Parliament's history.

The Queen's Speech is harmless enough. It contains one or two welcome measures—abolition of hereditary peers' voting rights is a very good step—but what a pity that the Government, who have such a mandate in the House and in the country, have missed an opportunity to be far more radical.

8.35 pm

Mr. Brian White (Milton Keynes, North-East): Last year, when I made my maiden speech, on the first day of the debate on the Loyal Address, I spoke after the hon. Member for Lewes (Mr. Baker). As I was lucky last year and was called to speak on the first day, I thought that I would try to do the same this year. However, I was called to speak after the hon. Member for Blaby (Mr. Robathan), who spoke after me last year.

My hon. Friend the Member for Bassetlaw (Mr. Ashton) gave us an interesting history lesson, which reminded me of a story that I was told when I first started working in the computer industry. Just before the 1970 general election, a computer operator was carrying a tray of cards on United Kingdom export figures and dropped it. He scooped up all the cards, put them back in the box and fed them through the computer. The figures duly came out. Later that month, a blip in Britain's exports was revealed, putting us back into the red. Subsequently, the operator discovered that he had missed a card, which was for a £1 million aeroplane export order. The subsequent official figures showed that Britain was back in the black. The operator was a socialist and has never forgiven himself for causing the 1964–70 Labour Government to lose the general election. The story illustrates the potential impact of technology.

Not all of today's speeches have dealt with one of the key points made by the Prime Minister, who said that the electronic commerce Bill was one of the key Bills in the Queen's Speech. I think that he was absolutely right about that. Although an electronic commerce Bill may seem innocuous, in years to come it will be thought of as one that defined the United Kingdom. The Bill addresses many important issues—of civil liberties; of types of regulation; of whether American-style self-regulation will dominate or we will adopt more sensible regulation; and of encryption and third-party trusted key holders.

Many countries do not have a strategy on developing information technology and electronic commerce, thereby giving Britain an opportunity to take the lead. The Government should be congratulated on their recent performance at the meeting of the Organisation for Economic Co-operation and Development.

The United Kingdom does not have a sufficient skills base to benefit fully from information technology. I was told recently—I do not know whether it is true—that the American Government have issued 500,000 green cards for people skilled in IT, so that they can work in the United States. Many people have gone from the United Kingdom to the United States because of the opportunities that that country makes available to them. We train people who subsequently work in the United States, which reaps the benefits. The Government have to ensure that we keep our skilled workers in the United Kingdom.

The United Kingdom has a tremendous shortage—the latest estimate is about 50,000—of good programmers and analysts. Although the new deal has started to tackle the shortage, we must do much more. The millennium bug programme is helping to fill the shortage, but we must do much more. The speed of technological change is being grossly underestimated, and we have to keep re-skilling our work force if we are to keep up. Although we have the advantage of being able to re-skill, we will have to ensure that new skills can be acquired not only by those designing systems but for those using them.

The electronic commerce Bill will have to perform a difficult task. It will not only have to remove barriers preventing competition and development in electronic commerce, but do so without removing the protections that have developed over the years. The Bill also must not create new barriers.

The Bill will change the culture of the United Kingdom. The internet will open up government and public services and facilitate business's competitive instincts. If we get the framework right, the Bill will enable us to accomplish many goals. If we get it wrong, we will damage the United Kingdom for decades to come. Therefore, it is one of the key Bills. I am certain that the Government will get it right, but it is important that we recognise that it is key.

The issue of culture has also been raised tonight. I agree not only with the concerns expressed by my right hon. Friend the Member for South Shields (Dr. Clark), but with his conclusions that the terms of the freedom of information Bill must be right. It is important that we subject it to the draft legislation process rather than put a half-cocked piece of legislation on the statute book. We have done that too often in this place. It is important that we get that Bill right because it will be a key piece of legislation for the next century.

The drive towards better government and freedom of information will lead to a change of culture in our public services. I recently saw an example of that. Stockholm city council decided to cable all of Stockholm and make that cable available to the businesses that could use it. It created a private company and, although its shareholders were Stockholm city council, in all respects it was a private venture because it went to the market to raise the necessary capital. It then dug the cable through Stockholm and made it available to all companies to enable them to compete, whether they were in public or private ownership.

Stockholm city council, as shareholder, got its return and the investors, through the private market, got their return. The case put me in mind of the way in which the

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Victorian English cities, such as Birmingham and Manchester, developed the new technologies of their day—electricity, gas and sewers—from which we are still benefiting today. If we are to allow Britain to move forward, despite the scoffs of the Opposition parties about modernisation, we need to remove the shackles from innovation and new technologies.

All that brings me to the peers. I made an earlier suggestion about what the Government should do about the House of Lords other than abolish the voting rights of hereditary peers. Some time ago—after the third defeat, I think—I suggested that we should give every Tory voter a peerage and use the Parliament Act 1911 to reduce the time for which they could hold that office to one month. We would then have a permanent non-Tory Government. Anyone who dared to vote Tory would be made a peer and lose his or her right to vote. I am not sure that that is very democratic, but it appealed to my sense of humour.

It is important to make it clear that, when voting rights are removed from hereditary peers, there will not be a Labour majority in the other place. I would prefer a Chamber that had a permanent Labour majority, but then that is my old Stalinist background coming out. It is important to recognise that Labour will not have a majority in the second Chamber and that the process of appointment to it will change.

I welcome the fact that the work of the royal commission will be subject to a time limit. When the Scotland Bill went through, it was said that it related to unfinished business, but the issue of hereditary peers is unfinished business that goes back even longer than that. The hon. Member for Southend, West (Mr. Amess) said that the Labour party did not understand history, but the old saying that those who do not learn from history are condemned to repeat it definitely applies to the Tory party at the moment.

The other crucial issue in the Queen's Speech on which we will be judged is welfare reform, in which I am a strong believer. It is critical. I come to it from a simple point of view—the current system does not work. Week in and week out, I see people at my surgery who are suffering under the current system because they cannot get the benefits that they need. In 1997, I did not think that it was possible that people who did not have any money were told, "The only thing that you can do is go down to the Salvation Army and get some food vouchers," yet that is what happened just after we took over in May 1997. It is wrong that that could occur at the end of the 20th century.

The welfare system was designed in the late 1940s, when men worked and women stayed at home, and when the ratio of working people to pensioners was far greater than now. It is long overdue for reform. I shall judge the welfare reforms on the simple question of whether the people who lose out under the current system will benefit under the new one. It is important that those people who desperately want to work can do so, whether part time or full time, or with changing hours. The way in which work is organised will fundamentally change in the coming years and it is important that the benefits system, and the support that it gives to families, recognises that the work pattern will not always be as it is now. We need a system that responds to that. We do not need a system under which different benefits are paid out on different days but need a system under which money can be transferred to where people need it.

We have a tremendous opportunity in this Queen's Speech. Far from being irrelevant or harmless, as the hon. Member for Lewes said, it is a Queen's Speech that will go down as the point at which Britain turned the corner, when we started to behave as a country that cared; when we started to look after our older citizens, the disabled and those who did not have work. It will also be seen as the point when we began to remove barriers to work and competition and allowed our public services to become entrepreneurial. Its importance for the future will be based on that.

8.46 pm

Rev. Martin Smyth (Belfast, South): It is a privilege to follow the hon. Member for Milton Keynes, North-East (Mr. White), since we went to the same grammar school—at different times of course. He will have been a constituent of mine at one time. When he said that the Queen's Speech would be seen as the point time when we turned a corner, I remembered that old Ulster expression. When a person asks how far it is to such and such a place, the reply is, "It's just round the corner." I have a suspicion that his corner may just be as far ahead as that guidance to wanderers in Northern Ireland.

I welcome the speeches made by the mover and seconder of the motion today, especially that of the hon. Member for Bassetlaw (Mr. Ashton), to which I shall return in a moment. I join those who have put on record their tribute to Gordon McMaster and his contribution to the House. He is missed. I worked with him in the disability lobby and I knew his concern about the UDR Four and his regular inquiries as to what was going on. He was a man who had an open heart and a concern for people. I join those who have paid tribute to his memory today.

The hon. Member for Bassetlaw referred to the reform of the House of Lords. I have no difficulty with reform, but I believe that it is wrong to reform without having thought through the future. I speak in the context of the reference made by the hon. Gentleman to Lord Fitt's speech 30 years ago in this House, when pressure was put on the then Northern Ireland Parliament, which was prorogued at that time. Successive Governments have spent years trying to put something in its place.

I believe that there is a need for a revising Chamber. How it is formed may be open to debate, but I am convinced that there is a need for one. The evidence for that is the last Bill relating to Northern Ireland, which went through the House in a shameful way in four hours, when 420 amendments to it had been tabled. That shows that there is a place for a revising Chamber to give this Chamber time to reflect on its legislation before it finalises it.

I must try to put the record straight. The hon. Member for Bassetlaw said that Lord Fitt, then Gerry Fitt, the Member of Parliament for West Belfast, talked about the numbers of people who did not have a vote and said that one person had something like 24 votes. The impression would have been given to people here and to people outside the House, and internationally, that many people in Northern Ireland did not have a vote for either the old Stormont Parliament or the Westminster Parliament.

The reality is that those votes referred to the local ratepayers franchise, which was not removed in Northern Ireland after 1945.

Significantly, when the Conservative Government tried to bring in the community charge, commonly called the poll tax, they did not have the nerve to extend it to Northern Ireland, because it would have been an admission that there was a reality in what was called the ratepayers franchise. Many people have misunderstood that. It is important to remember that it had nothing to do with Unionism or nationalism; nothing to do with Roman Catholicism or Protestantism. Presbyterian ministers, Church of Ireland rectors and Roman Catholic priests did not have a vote in local council elections because they were dwelling in Church-owned property that did not have rates paid for it. The issue cut across society.

I welcome the Government's commitment to bringing back the regulations and laws on the age of consent relating to those who may abuse their position of trust. If there is any change in the age of consent, I suggest that the best compromise may be that of Northern Ireland, making the age 17 rather than 16. In this modern age, with so many children murdered or abused, we should long since have established a commissioner for children. The various bodies that are concerned about the welfare of children have been urging that for a long time. Before the end of this Session, I hope that the Government will introduce legislation on a commissioner for children.

The Queen's Speech refers to international terrorism. I am reminded of what sometimes happens when children misbehave in public on the Shankill road. Their mother says to them, "When I get you home, I'll murder you." The youngster looks at her and laughs, because they already know that it means, "When I get you home, I'll do nothing." It is a meaningless threat. We have made such threats that we have not followed through, allowing some of the greatest dictators in the world to laugh at us as they have been not just threatening the United States' oil supplies or the stability of the middle east, but persecuting their citizens, be they the Shi'ite Muslims in the marsh or the Kurds in the north. The same has happened elsewhere. It is time that Governments who claim to be democratic started to work together to deal with such dictators.

As a Northern Ireland Member, I have a wry smile about that. The hon. Member for Milton Keynes, North–East said that he had his own sense of humour. We all have, and I sometimes get into trouble with mine. Is there not something wrong with a Government who justified the illegal help to restore the ousted Government of Sierra Leone on the grounds that they were getting rid of rebels and putting into power a democratically elected Government, while in Northern Ireland they have opened the way for unreformed terrorists to be placed in executive positions in a democratic structure? As I understand it, there is no legislation to guard against that.

I say that advisedly. There was a fringe meeting at the Labour party conference addressed by a Unionist councillor with Gerry Adams. Two Ministers and a former Cabinet Minister were on the platform. According to a newspaper report, the best joke was told by the Unionist councillor, who said, "How can you tell the difference between Sinn Fein-IRA and the Spice Girls? We know that Geri has left the Spice Girls." Without one weapon decommissioned, we are still pressing ahead to give credibility to those who are not the majority of people in Northern Ireland, but a minority who, through terror, have sought to dictate terms in Northern Ireland, the Republic of Ireland and elsewhere.

I ask the House not to join those who have been happy to demonise the Royal Ulster Constabulary. Significantly, some of the charges that were laid against the old Ulster Unionist Government have been laid against successive British Governments, Labour or Conservative. The reality is not one of civil rights, but of national identity. The RUC has served all the people of Northern Ireland. I know fine men and women from the Roman Catholic community who have proudly served and have borne the penalty, being murdered by republicans.

The other side of the equation also has to be borne in mind. Those of a loyalist terrorist persuasion have not earned the right to represent the people of Northern Ireland. My hon. Friend the Member for Fermanagh and South Tyrone (Mr. Maginnis) was castigated because newspapers misreported part of his speech in the House and let the Loyalist Volunteer Force off the hook. I want to explain what he was getting at when he talked about what terrorists—loyalist terrorists—have stooped to. I am reminded of a prison chaplain who, the day after his young son was brutally kicked and maimed for life, was told by a loyalist prisoner, "We hope you got the message." It is a scandal and a shame in a democratic community when we give credibility to what I call the incredible.

I welcome the Gracious Speech and the advances that it contains. I shall refer quickly to three issues. First, I trust that the Government will heed the advice of the person involved in tertiary education who told me that, if money is to be poured into education, it should be poured into the primary sector as we are losing out at that level and failing to equip children to go on to further study.

The second issue involves welfare to work and other aspects of the Government's modernising plans. There is something wrong with a job skills programme that seems to revert to an earlier programme which ruled that, if people did not have a job by the end of level 2, they could not proceed to level 3. That is possibly one reason why so many people are poorly equipped. For example, many in the construction and building industry chose self-employment as a tax evasion dodge through national insurance. However, many of those self-employed cannot afford to undertake necessary training at a time when the building and construction industry is short of some 6,000 people. I trust that the Government will seek to improve training standards.

Finally, I welcome some of the movement in health—which is my area of responsibility. However, I am surprised that, in reforming primary-led health groups, a Government who supposedly consult the people cannot find room for the views of the patient and carer or client and customer. We must hear the people's voice. Although my daughter is a doctor, it is my experience that the doctor is not always right and a second opinion is often vital. It is important also for doctors to listen to their patients.

9 pm

Mr. Harry Barnes (North-East Derbyshire): It is a pleasure to follow the hon. Member for Belfast, South (Rev. Martin Smyth), who does important work in respect of health, social security and disability. I shall touch on one or two of the points that he raised in connection with Northern Ireland—the area that he represents.

[Mr. Harry Barnes]

The hon. Gentleman pointed to past franchise problems in the Province, but there are modern franchise problems in Northern Ireland—especially involving fraud and impersonation. The Northern Ireland Forum produced evidence in connection with that problem. I presented my case to that body, and its document was then used by the Select Committee on Northern Ireland Affairs, which offered several arguments in an attempt to tackle the problems of fraud and impersonation. The Committee's views, in turn, influenced the Government in taking subsequent measures.

We must remain eternally vigilant when it comes to franchise matters. I continue to stress that many people do not appear on electoral registers while others appear on them fraudulently. A modern system must tackle that problem. If modernisation has any benefits, it is in the area of enfranchisement.

Rev. Martin Smyth: The hon. Gentleman makes a valid point, particularly regarding registration. One of my constituents was on the register of a London constituency and moved to Belfast towards the end of September. That constituent cannot appear on the new register in Belfast and, as my constituent was not in London before the October date, cannot appear on the London register. That example surely supports the argument—which the hon. Gentleman has espoused for some time—for a rolling registration.

Mr. Barnes: Rolling registration techniques should certainly be introduced, and I am disappointed that that measure is not in the Queen's Speech. Much good progress has been made: developments have occurred within the Home Office, the Labour party national executive committee has adopted the rolling register, and the idea enjoys wide cross-party support. Unfortunately, we must wait a little longer for the introduction of legislation. The Prime Minister, as shadow Home Secretary, accepted that argument and encouraged hon. Members to support the electoral legislation that I introduced. I hope that that means that the Government will respond favourably in the future.

The hon. Member for Belfast, South mentioned several other matters. He referred correctly to the position of the Royal Ulster Constabulary and to obvious concerns about the outcome of current investigations. A Select Committee report recognises the important work of the RUC. Its suggestions for reform include not dismantling the RUC or dramatic changes but developing an environment in which the RUC can represent people both across the communities and across the sexual divide—the sexes are not represented equally in that force.

The hon. Member for Belfast, South referred to the terrorist problem in Northern Ireland. Decommissioning is important if the peace process is to continue. At a recent meeting of the Friends of the Union, which took place in the House, Sean O'Callaghan pointed out that various Members, including Labour Members, say that giving up arms is beside the point because more can be acquired. As he said, if arms were given up and IRA commanders told their activists to rob a bank to get money to purchase weapons, the activists would reply, "What do you mean? You have just handed over the weapons and now you want us to rob a bank to replace arms that have been built up over years." Decommissioning is tremendously important and cannot be switched on and off like a tap. Once the arms situation is tackled, it will be difficult to restore it.

The only other comment that I want to make on the speech of the hon. Member for Belfast, South relates to the joke that Chris McGimpsey made at a fringe meeting at the Labour party conference. I know who claimed to pass on the joke to Chris McGimpsey, and I shall tell the hon. Gentleman later.

I want to deal with the overall Government position on the Queen's Speech. The hon. Member for Blaby (Mr. Robathan) implied that the Government's talk about modernisation is vague, that they pick up bits and pieces of policy from all over the place just because they are modern and that there is no broad approach. He is entirely mistaken. The Government have a clear set of ideas, with which I am not always in tune, but they are definite positions which need to be understood. Modernisation is part of that. It is stressed in the first paragraph of the Queen's Speech, which refers to

"modernisation of the country, its institutions, its public services, and its economy."

Modernisation is therefore tremendously important.

Before I develop further points about that topic, I shall stress other ideas that link with that notion and clarify it. The first is partnership. The Commonwealth Development Corporation is to undergo a form of privatisation and become a public-private partnership.

Another idea, which is not contained in the Queen's Speech but influences it, is the Prime Minister's philosophy of the third way. He has produced a Fabian pamphlet that expresses those ideas, and theorists are producing related ideas. The third way will interlink the free market and social justice, and the Queen's Speech contains such ideas. There is stress on measures that have already been taken, such as giving the Bank of England control over interest rates, which is the free market aspect. The Queen's Speech also includes many social justice measures, some of which were mentioned by the hon. Member for Belfast, South. Those relate to reform of benefits and are influenced by the joint approach of the free market plus social justice.

Another point that is continually stressed is globalisation. Because of the international markets, there are restrictions on the actions in which any Government can engage. There is some sign that these points have been taken on board, in that the Queen's Speech refers to the G7 partners working together on financial issues, and there is also reference to the global climate.

I have stressed modernisation, partnership, the third way and globalisation and shall now relate them to points made in the Queen's Speech. If one takes modernisation by itself, as the hon. Member for Blaby did, one sees that it is an odd idea. It is not clear, like the traditional sort of Conservatism that we generally had before Lady Thatcher became leader of the Conservative party and handbagged it into taking a particular approach. We might ask, as the hon. Member for Blaby did, what we are supposed to modernise.

I am in favour of some of the suggested modernisations in the Queen's Speech. We are going to replace the internal market in the national health service. That will be

a distinct advantage, because the operation of that market has involved a waste of resources, which can now be used to fulfil the health service's real purpose.

We will also establish a disability rights commission. I should have liked us to go further. I introduced the Civil Rights (Disabled Persons) Bill, the thrust of which I hope will be enacted in future. When the previous Conservative Government presented what was then the Disability Discrimination Bill, it was said that the best change to it would have been the inclusion of such a commission, because the commission was the dynamic that would help to improve disability legislation.

I welcome the fact that more money is to go to the health service and education. I also welcome what is to happen to the other place, although—to quote Bernard Crick—I regard it as "nibbling at the ermine". In other words, we are doing only a little to tackle the issue by getting rid of hereditary peers' powers, but in the hope of something more substantial at a later date. Even that may not be as dramatic as some of the solutions that I could suggest, but it is a step in the right direction.

Eventually, we are to have the food standards agency and freedom of information legislation. I wish that firm proposals had been included in the Queen's Speech, but we are at least starting to move in the right direction.

The Queen's Speech contains many nice, modern measures, but why do I like them? What is it that attracts me to them? I am attracted to them because I am a democratic socialist and they are an extension of either democracy or social welfare. I sign up to these measures and will be keen to support the Government in the Lobbies, although I encourage the Government to go further.

There are some modernisations in the Queen's Speech that I distrust. They include the modernisation of local government. The local government White Paper seems to be about turning back-bench councillors into lobby fodder. What happens in the House is what people often believe happens on councils. When Labour Members who were councillors attend meetings of the parliamentary Labour party, the first thing they say is how differently things operate in the Labour groups and in the PLP. They say that, on the council, issues were debated, decisions were made and then the councillors would adhere solidly to the whip. But now, the position is determined from on high. That allows greater scope for rebellion, because we have not been party to a decision, but it means that we have not been party to the decision making either.

That is what the Government are about in establishing mayors, chief executives and centralised systems. Phrases in the White Paper are rather anti group activity. I know that many councils do not operate as they should, but reforms can be introduced to stimulate activity. Often, better facilities, and especially greater resources, are required for councillors to perform their functions.

I do not like what has happened to the Bank of England, with the resultant loss of control over interest rates. The measure was mentioned in the Queen's Speech, although it had already been implemented. It represents a loss of democracy. The House needs to take some issues more seriously on board, and greater controls should be introduced. Control over bodies such as the Bank of England should be in the hands of elected representatives.

Nor do I like much that is going on concerning the European Parliamentary Elections Bill. Because of the furore in the other place, a little low-level politicking has been turned into a matter of high constitutional principle, and the detail is therefore being ignored. I happen to think that details are quite important. I am abstaining on everything related to the issue because I am against lists. I am against closed lists, because of the power of party bureaucrats, and open lists, because people from the same party fight each other over seats, as they do in the Republic of Ireland. We should not institutionalise conflicts between members of the same party; there can be enough conflict without it.

I am worried that we may not get some of the modernising moves right. I am not in one camp or the other; I will need to prod the issues. Labour has made a commitment on fairness at work, but concerns have been expressed by the Trades Union Congress about what will emerge in the Bill in the end. Its executive committee

"continues to express its strong concerns at reports that the government is giving sympathetic consideration to employer lobbying aimed at sabotaging clear principles set out in the White Paper."

The White Paper was already a compromise towards which the unions had been pushed, but it seemed acceptable. We may now be going too far in placating employer interests.

The Queen's Speech says that we are in favour of European Union enlargement. I think that the priority in the EU is democratisation. It has been said that, if the EU applied for membership to itself, it would not be granted it because it does not have the democratic arrangements and provisions required in order to operate. Tremendous pressure should be put on achieving proper democratisation in a federal, social and democratic Europe, which would provide scope for expansion. New members would know the terms of the club that they applied to join.

I like the commitment on education, but I want some proof of it. Derbyshire, for instance, in which my constituency lies, suffered tremendously under the previous Government's arrangements, and it has suffered fantastic cumulative losses in education spending. We are hoping that, in the standard spending assessment statement in December, the Government will provide extra moneys and that we fare proportionately better than some. Several other counties have suffered in such a way, and are part of organisations such as the fair funding campaign. So, under the notion of modernisation, I go for some things because I am a democratic socialist, I am really worried about others, and some will depend on how they pan out.

I return to the issue of partnership, which was mentioned frequently in the Labour party's election manifesto and in documents published before the general election, and has been talked about considerably since then. Labour, when it was founded, was a mixture of socialists, trade unionists and workers in what was called a labour alliance. It was not a particularly left-wing body, but socialists could work with people who had a labourite interest, those who were exploited and who wanted to try to correct things.

The then opposition to us became the Conservative party. It was clearly the party of free enterprise and capitalism. Labour and the Conservative party conflicted with each other. However, there were periods of compromise, consensus and mutual moderation, which Harold Macmillan in the 1930s would have called the "middle way". That might not be very different from the third way that is now propounded.

[Mr. Barnes]

Despite comings-together on many occasions, there were distinct different interests that were often discussed between the two sides. The old-style Liberals, not the Liberal Democrats, represented the party that attempted to square the circle. It was the party of partnership. Liberals thought that it was possible to get capital and labour around the table and that their representatives would be after the same thing once they had talked to one another.

I am not against capital and labour talking, but their representatives should realise that they are negotiating. They are making temporary compromises today so that they may argue and manoeuvre for temporary compromises tomorrow. It is part of what I dare to call the class struggle, which still takes place within society. The old Liberals ignored that. However, new Labour now has this philosophy of partnership. That is reflected in the private finance initiative, for instance, of which the council in my constituency is making good use. The council has to respond to the world in which it finds itself. However, I would sooner see public resources being supplied to local authorities. The participation concept is provided for in the Queen's Speech in terms of the Commonwealth Development Corporation.

I was talking about the third way, which is free markets and social justice. This is not a new way. It is not something that has just come about. It has some similarities, as I have said, with Harold Macmillan's middle way. To some extent, it is an ideal. Its historical background comes from people such as Lloyd George. The Lloyd George social liberalism reflects the third way considerably. That has a problem for me as a socialist. To me, free markets produce inequality, injustice and exploitation. If we want to see that readily and easily, there are international examples. After all, we have a global economy and the third world is included. Let us consider, for example, countries such as Malawi where there is destitution. That is part of the experience.

Social justice will be stunted if it has to take place within free market arrangements. There is the idea that the free market lays the golden egg and that thereafter there is some redistribution. I think that we must examine the way in which the market works and the problems that it produces.

Labour reflects some of the third-way notions. The Queen's Speech refers to

"work for those who can".

I hope that that means that we shall create work. It is no use saying that there should be work for people who can work, after we have sorted out the people who are to work, if there is little work for them and they must accept poor wages, even though we are producing minimum wage legislation.

I did not realise until after the election that the slogan "Off benefit into work" was meant to be taken as it was produced. It was intended to say, "Get people off benefit and you will get them into work." It should have said, "Provide work and it will get people off benefit."

That reflects part of the problem that we experienced with single-parent benefit and perhaps, to an extent, with disability. Although many good measures are contained in the White Papers on benefits and on disability, we are in danger of moving increasingly towards selective help and further away from universal benefits. I am a universal benefit man because that is implicit in the democratic socialist philosophy that I hold.

My next point is about globalisation. I hope that we are not expected to accept that we are hermetically sealed inside a world capitalist order and that in no circumstances can we get out. I would accept a great deal of the philosophy behind new Labour's programme if it were a temporary compromise because of the circumstances in which we found ourselves, so that we could build for tomorrow. If, however, it were seen as our long-term objective, that would be a serious mistake.

The third world suffers deprivation. There is the prospect of the multilateral agreement on investment, at the behest of multinational companies, with their particular interests. We should not say that we can do nothing about that. The weapons to tackle the evils of international free markets are what they have always been for democratic socialists: democracy and demands for social justice. That means organising with people to achieve those objectives—for example, by assisting those who work in co-operatives in Africa.

We should not think about bombing Iraq into submission, because we would be bombing the Iraqi people. Similar cases were the bombings of Sudan and Afghanistan. We should not always follow Clinton's lead.

Although we do not yet have a society that is ready to accept a fully fledged socialist programme, we should modernise in a democratic socialist direction. We should extend democracy. We hear much talk about fancy franchises and other arrangements. Whatever they are, everybody should be part of the process. At the beginning of the discussion, I suggested a rolling register, which still seems to be entirely relevant.

Socialism entails working to tackle world poverty. In the case of Iraq, that is hindered by the operation of sanctions. The standard of living in Iraq is probably about one tenth what it was when Saddam Hussein emerged, much of that due to him and his conduct of the war with Iran.

On Northern Ireland, the Government got things tremendously right. They should provide the resources from the benefits of peace, and tackle decommissioning, thereby fostering the sensitivity and the democratic arrangements necessary to develop a society. Those features are sometimes absent from their foreign policy, and for that reason should perhaps have been included in the Queen's Speech.

9.28 pm

Mr. Peter Bottomley (Worthing, West): I am not sure that references to Northern Ireland should come under the heading of foreign policy.

It is a great pleasure to follow the hon. Member for North–East Derbyshire (Mr. Barnes). His is one of the speeches that is always well worth listening to. I hope that those on the Government Front Bench will pay attention to the practical points that he made. For those who are concerned about the purpose of politics, I should like to say that I strongly agree with him and commend his account of democracy and what I call well-being—a mixture of wealth and welfare. There are few occasions when fully democratic countries go to war with each other or have high-level civil wars. Democracy is important to allow all the other things that matter to happen.

That brings me to a point of dispute—that is a friendly way of putting it—with the leader of the Liberal Democrats, who spoke in a firmer tone than perhaps he should have done about the use of the Parliament Acts in establishing the system of elections to the European Parliament. The plain fact, confirmed on page 570 of "Erskine May", is that, if the House of Lords made a change to an open-list system which this House then accepted, or if this House added a "suggestion" by resolution to the Bill that did not pass in the previous Session, that could still allow the Parliament Act to apply.

In practice, if the Government could stop being quite so fixed on the closed-list system and accept the open-list system, which the Liberal Democrats and the Tories want, and which, as far as I can see, most Labour Back Benchers would prefer, the Bill could become an Act before the deadline and the problem would go away. That is a practical suggestion which I hope will be passed on to the Prime Minister.

Each time I challenged a Minister or Labour Back Benchers assembled to say who thought that the closed-list system was the best system, not a single one moved. Ministers could not name a single supporter who thought that the closed-list system was to be preferred.

There is no more that I want to say on that at the moment; but, if the leader of the Liberal Democrats has any influence at all with the Prime Minister, instead of saying that he will get his Liberal Democrats to vote for a closed-list system when they want an open-list system, he could ask the Prime Minister to change his mind and go for an open-list system.

Mr. Baker: Even if the hon. Gentleman is right in suggesting that the Government should be more flexible, does he think it right for the other place to block the Bill five times?

Mr. Bottomley: It is not the numbers that matter but whether the Bill is right or wrong. The other place has two functions, which I hope it will keep, one of which is to consider detail and the other of which is to protect the rights of voters.

In multi-councillor wards, I have never seen both elected councillors, or sometimes all three, obtain precisely the same number of votes. Voters want to pick and choose. The closed-list system, for which Liberal Democrats voted, does not give that opportunity. All the names should go on the ballot paper. Voters should be able to get the Government to agree with the Liberal Democrats policy. If the other place makes that possible, I will support it. In the same way, with regard to the age of consent, the other place wanted, in effect, the Bassetlaw amendment on positions of trust and responsibility. The Government did not agree then, but they do now. That seems perfectly reasonable.

The Queen's Speech does not refer to a privacy law. There are times when it is tempting for people in politics to argue for a privacy law. I am glad that the Government have not given way to that. The media can do great damage and publish many things that are wrong, but no privacy law that I have seen is workable. I would ask that the Government start paying more attention to the things that look wrong and may be wrong.

For example—I tabled an early-day motion on this—if the Secretary of State for Trade and Industry has regulatory responsibility over the media, as is illustrated by the fact that he referred the Manchester United-Sky proposed link up for investigation, he is presumably the person who would have to say whether the Arsenal-United Media proposed link, if it came forward, should be referred.

Yet, in Stephen Glover's article in *The Spectator* on 21 November 1998, and in other articles in *The Times* and *The Guardian*, there is the suggestion that the Secretary of State for Trade and Industry, or his helpers, or the Prime Minister's chief press secretary put pressure on Lord Hollick to sack the editor of *The Express on Sunday* or to have some of the journalists changed.

The Prime Minister should ask the Cabinet Secretary to institute an inquiry into that. During that time, he should announce that any media reference involving Lord Hollick or United Media would require a decision by another Minister, perhaps the Leader of the House. That is the kind of issue where the Prime Minister wants to look squeaky clean.

The Prime Minister can stop people fearing that proprietors or editors are worried about a call from someone in the Government or on behalf of the Labour party asking for a journalist or editor to be sacked. Without making a threat or a promise, it might be feared that someone who was angry with a journalist or editor would make a marginally different decision over a reference on regulation in the media.

I support some things that the Government are doing. I support the Green Paper "Supporting Families: A Consultation Paper" if that is aimed at encouraging parents to have more competence and confidence in bringing up children and the more effective functioning of families with their shared responsibilities. I strongly support the increase in child benefit, something for which I have argued since I became a Member of the House about 23 years ago.

I welcome that increase, but—if I may niggle—it is quite clear to me that Ministers did not read the consultation paper, and those civil servants who read it did not pay enough attention to page 56, where there is a list of "Other Government publications". Top of the list is the Labour party manifesto. If Ministers do not read to the end of their own documents, they should. Any Minister who read that document would have said that the Labour party manifesto was not a Government publication. It might be "other interesting reading", but it should not have gone in with the productions paid for by the taxpayer.

When the Prime Minister noticed that—I brought it to his attention—it would have been better if he had apologised, but he should go a stage further and say, "As well as Ministers failing to read their own publication, what about the civil servants?" Have we reached a stage where our independent, impartial civil service—which serves Governments of any party with a majority—does not dare, or does not care, to say to Ministers, "Excuse me, you've got this wrong"?

I cannot believe that civil servants did not read page 56 of that Government publication. The Prime Minister—when he is speaking to senior civil servants, as he does on occasion—should say, "If any of your people think that we are doing something that is wrong, either by mistake or deliberately, tell the Minister. The second time, tell the permanent secretary and the third time tell *The Guardian*, if necessary."

[Mr. Bottomley]

There is a responsibility, which is shared by the Cabinet Secretary and the Prime Minister, to make sure that civil servants spot such things and take action. There should not be confusion between party interest and Government responsibilities.

I shall move on, to Northern Ireland and then to West Sussex. I strong believe that the Royal Ulster Constabulary has done valiant work and has carried much of the burden over the past 30 years. It has not been perfect, but it has been very good.

It is wrong that the only police service in the United Kingdom with the word "Royal" in its title is in Northern Ireland—it is not in Scotland, in Wales or in England. I do not want to throw away the RUC name or tradition, but I want to add to its title the words "Northern Ireland police service". In the same way that the Conservative party and the Labour party have alternative titles, it is perfectly reasonable for the Northern Ireland police service—the RUC—to have both titles available for people to use as they wish. We could add to the RUC's fine tradition a movement towards being like police services in other parts of the United Kingdom.

One of the dominant issues, which is referred to in passing in the spending sentences of the Queen's Speech, will be the Government's determination on the standard spending assessment. I think that West Sussex will be penalised; it also loses out in health allocations.

It is no coincidence that most of the West Sussex health authorities and hospitals have the worst waiting lists and waiting periods, partly because there are many elderly people on the south coast. Most of the illnesses for which people do not receive urgent or emergency treatment are ones that the elderly experience, and most of the problems experienced by young people are emergencies or urgent.

The pressure on resources in the Worthing and Southlands Hospitals NHS trust, and in others, is enormous. I hope that the Secretary of State for Health will come down to West Sussex, listen to the nurses, the auxiliaries in the hospitals, the doctors and the people on the health authorities and share with them his view of how they can manage on the resources that they have. Those resources are not adequate.

In education, there are also problems, but one of the biggest problems—this comes into casualty reduction—is money for roads. Although the Worthing bypass did not go through, money is still needed to give protection to local people, especially vulnerable road users. For example, on a county road—the A259 at Ferring—people on foot, on bikes or on horses are exposed to the daily risk of trying to cross a busy dual carriageway that carries virtually the same amount of traffic that motorways used to handle, before they grew even larger.

West Sussex will not have the money to put in the improvements, although extra money is being paid by motorists, and vulnerable road users—people outside cars and on foot—have environmental needs. Two weeks ago, a tragic crash killed Mr. Wallace at the site where I, a county councillor and other concerned local residents pointed out in January that action was needed. Cash control over West Sussex county council is in the hands of the Government. The strings need to be loosened. There needs to be a source of funding so that casualty reduction measures can be taken. We must continue to reduce the number of road deaths because, at over 3,000 a year, 10 a day, it is still far too high.

I do not understand why the Deputy Prime Minister insists on an extra 12,000 homes in addition to the 38,000 that West Sussex must produce. It was agreed that West Sussex could take only 38,000, and the Deputy Prime Minister should have accepted that. I hope that his early success in the courts will be overturned. Even if it is not, he should tell West Sussex that it can get by without the extra 12,000, in the same way that Worthing local council decided to lift its threat on development of the Goring gap. Places such as West Sussex need protection from overdevelopment. They need people who are willing to enter local and national politics to stand up for them.

It is a great honour for me to continue in Parliament representing a new constituency. Some of the issues are the same as they were when I was first elected and we had a Labour Government; some are the same as under the Conservative Government. Hon. Members on both sides of the House have much more in common than our debates allow us to believe. However, unless we can be specific about constituency issues and, as the hon. Member for North–East Derbyshire said, recognise the importance of democracy and the link with the electorate so that we do both what our electorate want and what is right, we shall fail. Both the Government and the Opposition have an opportunity to make things better so long as we work hard at it. We should tell people to have faith in politics as they can provide a better life for many people and, when times are hard, give a degree of comfort, even if they cannot provide a cure.

9.42 pm

Mr. Adrian Sanders (Torbay): It is a pleasure to follow the hon. Member for Worthing, West (Mr. Bottomley), who represents a fellow seaside town, and to hear a constructive speech from a Conservative Member. Like my constituency, Worthing is an end-of-the-line town—a place to which people go not to get somewhere but to visit because of what it has to offer. All coastal resorts tend to fall between two stools: the urban and the rural. Those are mentioned in the Queen's Speech, whereas coastal resorts are not.

The Queen's Speech made no mention of the damage that has been done to coastal resorts over the years. In the past year, the removal of "bed nights" from the local government grant formula has cost seaside resorts dear. No legislation has been promised for the deregulation of dry rooms. Many licensed hoteliers want to maximise the use of floor space in their properties, but are caught by ancient rules that require them to set aside a dry room. Nothing has been said about VAT on accommodation, which acts as a disincentive when the UK holiday industry competes with Europe.

Nothing is said about reforming the planning system, which is a significant problem in tourist areas where the market is in decline and there happens to be an over-supply of tourist accommodation. Under the existing planning system, people cannot obtain permission to change the use of their property. They become wedded to the tourism industry and have to ratchet down their tariffs to pay their bankers. They cannot change the use of their property in order to pay off that debt.

Another problem faced by any area that receives visitors is the additional cost of fire, police and health services, especially casualty services, which are not recompensed within the national health service. Local people suffer because the service available to them is diminished by the pressures caused by visitors. I was sad that the Queen's Speech said nothing about that.

The Queen's Speech felt like an end-of-term speech, such as one might expect the year before a general election. That may be because the reform of the House of Lords is expected to take up a great deal of time, so a number of legislative items could not be included.

I also regret that the Queen's Speech contained nothing about leasehold reform, which was in Labour's manifesto. Ministers have promised consultation papers, but we are still waiting for the legislation to be brought before the House.

There are no measures on housing revenue accounts. Local authorities that have a surplus must force their poor council tenants to meet the housing benefit bill for other poor council tenants. No attempt has been made to change that. The legislation to speed up conveyancing in the housing market, which was promised last year, has not been included in the Queen's Speech. That is pretty important, because a flexible labour market requires a flexible housing market. Speeding up conveyancing would be a small contribution towards that.

My constituents and others in the south-west will be disappointed by the Queen's Speech—as we have been disappointed by government over the past 20 years—because we wanted a farming Bill. We were pleased about the Secretary of State's announcement of new money to tackle the crisis, but that does not secure the long-term future of the industry. We would have liked measures to reduce the strength of the pound, so that farmers could compete with producers abroad and maintain CAP support at comparable levels.

Foreign imports should be subjected to the same high standards as British meat, especially beef and pigmeat products. We should encourage a "buy British" policy. We have a ridiculous situation in Devon. As a result of compulsory competitive tendering introduced by the previous Government, our local education authority has to purchase Irish beef when perfectly good Devon beef is available. The Government should have turned their attention to that matter in the Queen's Speech.

The Queen's Speech should have included a transport Bill that went a bit further than the additional money made available for rural areas in the Budget, and used more of the money levied from fuel taxes. As my hon. Friend the Member for Lewes (Mr. Baker) said, there should be a strategic transport authority, and there should be guaranteed funding transport packages, including safe routes to school, traffic calming, cycle and bus lanes, home zones and improved public transport. The Government talk a lot about discouraging people from using cars and encouraging them to use public transport, but the problem is that they are doing it the wrong way around. They should put the public transport infrastructure in place first, then they can get people out of their cars. They cannot do it the other way around, and they certainly cannot do it in rural areas where there is no bus service or public transport infrastructure.

The Queen's Speech should have included a crime and policing Bill that changed the funding formula in line with the significant extra demands made on policing rural areas. Rural areas cannot make the economies of scale that can be made in towns and cities. People in my part of the country would have liked the demands made on the police by the increase in the population in Devon and Cornwall during the summer months to be recognised. If the police in Northampton or Oxfordshire are under strain, they can draw resources from the surrounding counties. However, Devon and Cornwall are on a peninsula, and go out to the sea, so they cannot draw resources from other areas. They must stretch their resources further.

There should have been a housing Bill that reassessed the number of extra homes needed in each region. That is becoming critical. The hon. Member for Worthing, West referred to Sussex, but other hon. Members would no doubt jump up and say that this problem affects their areas also. We should require developers to work with planning authorities to ensure that what is built matches local need. The part of the house build equation that is missed is not the number, but the type of housing required to meet local need.

We would have liked to see second home owners pay full council tax. It would have been easy to introduce a Bill to provide for that. A relatively short space of parliamentary time would have been required to allow local authorities that needed to end the concession on council tax to subsidise services in areas where there are too many second homes, which threaten schools, bus services and shops. At present, local authorities cannot subsidise communities in that way. If the council tax take were increased, the Chancellor would be able to ensure that the money was spent in the right way.

Water charges in the south-west are a vital issue. I cannot stress too much to hon. Members who do not live in the area how important water bills are there. They constitute a disproportionate part of the fixed incomes of, for instance, people on welfare benefits. Neither pensions nor welfare benefits take account of the cost of water charges, yet ours are the highest in the country. It would have been nice to see a bill introducing council tax banding to replace rateable value as a first step towards a fairer system, and perhaps a national fund for environmental improvements. It seems entirely wrong for the south-west, which contains 3 per cent. of the nation's population, to be lumbered with paying, through our water bills, to protect, enhance and clean up 30 per cent. of the nation's coastline.

Most of all, those of us speaking from a south-west perspective would like a Bill providing fair funding for the region. It would include provision for a sparsity factor in the standard spending assessment, to take into account the extra costs of providing services in rural areas, to take account of seasonal fluctuations of population that take their toll on regional services and to recognise the problems faced by peninsular communities with a lack of neighbouring services to fall back on. We would like such a fair funding Bill to be kept under regular review by an independent body.

During the 18 years of Conservative government, there was a great sense that we did not get a fair deal and, in the past 18 months, there has been precious little to convince constituents in Devon and Cornwall that they are getting a better deal from the present Government. It is a shame that, from a south-west perspective, the Queen's Speech does not seem to meet local needs.

Debate adjourned.—*[Mr. Pope.]*

Debate to be resumed tomorrow.

Welfare Services (VAT)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Pope.]*

9.53 pm

Mr. John Whittingdale (Maldon and East Chelmsford): It is a great privilege to initiate the first Adjournment debate of the new parliamentary Session. I am particularly pleased to raise an issue that greatly concerns many people in Essex and, indeed, throughout the country. I thank the Financial Secretary to the Treasury for being present to reply.

It has long been the case that welfare services supplied other than for profit, by a charity or public body, are exempt from value added tax. For a long time, home care services of all kinds were considered to be welfare services, but in 1995 Customs and Excise redefined the meaning of "welfare services" in the Value Added Tax Act 1994 to exclude practical help in the home. That was confirmed in a written answer given to my hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb) on 9 December 1997, in which the Financial Secretary said:

"The policy on the VAT treatment of domiciliary care services depends upon their nature. Where those services constitute medical care or welfare they are exempt from VAT. Domestic services such as laundry, cleaning, etc. do not qualify for VAT relief under any exemption."—*[Official Report,* 9 December 1997; Vol. 302, c. *508.]*

As you will know, Mr. Deputy Speaker, in Essex, those services are supplied to elderly people on low incomes by the charity Age Concern, which provides a subsidised service to some 750 clients.

Despite the ruling having been made some time earlier, Age Concern was informed only in August that the policy branch had decided that

"general housework and shopping services"

supplied by the charity should no longer be exempted from VAT. That corrected the advice that had been given earlier in the year, so VAT became chargeable only from that date: 24 August this year.

The justification for that rule comes from schedule 9 to the Value Added Tax Act 1994, which provides guidance on the way in which welfare services are to be understood. In group 7, item 9, "welfare services" means services that are directly connected with

"the provision of care, treatment or instruction designed to promote the physical or mental welfare of elderly, sick, distressed or disabled persons".

The crucial word is "care". Customs and Excise takes the view that the provision of practical help in the home is not care. It would be hard to find a single care professional who agrees with that.

The value added tax tribunal that considered the appeal on behalf of the Watford help-in-the-home service found:

"It is only by considering the type of recipient that one can determine what services qualify as welfare."

It went on to uphold the appeal on the basis that

"the services provided are not an additional help but are either part of the necessary care which the people need in order to continue to live at home, or they are so directly connected with it that they fall within the terms of the statutory provision."

A study by the Joseph Rowntree Foundation found that older people who had been interviewed saw the withdrawal of help with house work and with related activities as a failure by social services to understand what was important to them. In their view, getting such help stood between staying in their homes and going into residential care. Keeping the house up was akin to keeping themselves up. At the same time, diminishing energy and difficulties in managing heavy or physical tasks created concern that they could no longer cope in their homes. Seeing the dust pile up or no longer being able to reach the top shelf was a constant reminder of what they could no longer do and that could have a negative impact on both mental health and motivation to manage.

At present, social services in Essex cannot fund all category one care requirements. Therefore, understandably, they prioritise "personal care" over more general domestic help. However, recognising the value of low-level care, they have jointly funded, with local health authorities, Age Concern's home help support service, which steps in where there is an identifiable gap in care. Age Concern does not make a profit from that service; in fact, when agreed funding in my constituency runs out in April, the service will run at a loss.

Age Concern seeks to work within its charitable guidelines. It assesses in its clients a need for home help services, a need that it is willing to subsidise. However, since the service started, it has already had to absorb the cost of the working time directive, which has made every care worker more expensive to employ and led to an increase in the charge that it has had to make. It simply does not have the resources to absorb the additional cost of VAT, which will amount to more than £1,000 per week.

As a result, Age Concern will have no alternative but to increase the charge that it makes by about £1 an hour. Many recipients of its service will simply be unable to afford that increase and are likely to give up the service as a result.

As the chief officer of Age Concern Essex, Mrs. Terry Cassels, wrote to me:

"we expect that the majority of clients will stop using our service and make private arrangements rather than pay an extra £1 an hour which will not benefit the worker or the organisation. Most older people on low fixed incomes be pushed into relying on their families and friends to do the essential work that has become too difficult for them? It does not take much imagination to realise that those members of family and friends will not be calling quite so frequently if on every visit they spend the whole time scrubbing floors or changing beds".

Customs and Excise has also argued that present arrangements

"give the widest possible relief for home care services within the constraints of current EC legislation."

It being Ten o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn.—*[Jane Kennedy.]*

Mr. Whittingdale: That is not a generally accepted interpretation of EC law which does provide broad scope for the exemption of welfare services. Under the terms of the sixth directive, article 13a exempts

"the supply of services and goods closely linked to welfare and social security work, by bodies governed by public law or by other organisations recognised as charitable by the member state concerned."

It makes it clear that, in cases where the supply is made by a body

"other than those governed by public law",

VAT exemption will apply only if the organisation is not providing the service for profit. As I have already set out, as a charitable organisation, running a service that is based on an assessment of need and making no profit, Age Concern's service meets all those conditions.

Following the result of the Watford home help tribunal case, the Government announced a review of the possible VAT exemption of home help services—I welcome that review. However, there is a real danger that any change may come too late. The consultation papers sent out to interested organisations have a response date of early next year. We do not as yet have a timetable as to when the review process will be concluded or when charities will be notified of the result. That leaves charities such as Age Concern in a difficult position. In a written answer on 3 November, the Financial Secretary said:

"Charities, including Age Concern, Essex should not anticipate the outcome of the consultation".—[*Official Report*, 3 November 1998; Vol. 318, c. *448*.]

That means, that as Age Concern has been told that its services are subject to VAT, it should either charge clients the full amount, including the tax, or subsidise the increase from its reserves. Age Concern has chosen to do the latter, but can afford to do so only for a limited time. If the review is not completed quickly, Age Concern will have no choice but to increase its charges to take account of VAT.

If the review results in an exemption from VAT, it may be too late for many of Age Concern's clients who will already have given up a service that they can no longer afford. What is more, in order temporarily to meet the cost of VAT, Age Concern is having to divert money from other areas of its activity. If the review does not come out in its favour, those reserves will be lost.

The charity has received conflicting advice. In a letter from Customs and Excise, the value added tax policy directorate says:

"For the present, charities may anticipate the announcement and apply the wider exemption immediately."

That clearly conflicts with the written answer given by the Financial Secretary. I hope that she will take this opportunity to make the position clear.

The imposition of VAT on those services will hit some of the most frail and vulnerable people in my constituency. One 84-year-old widow wrote to me saying:

"I thought that the Government was committed to supporting those of us who wanted to stay in our own homes and not to be a burden on others."

The chairman of the Burnham patients liaison group wrote saying:

"as clients are mostly frail elderly, having to reduce or cease the service will, we are convinced, have a detrimental effect on their health, both physically and mentally. By this action, Customs and Excise are affecting some of the most vulnerable people in this country."

Perhaps one of the most moving letters I received said:

"My husband and I started work at the age of 14, worked all our lives and paid our taxes, now we are both disabled. I have had both my legs amputated and we need help, we get none but what we pay for. Now they want to put it up by £1 an hour. Either we will not be able to eat or keep warm, or we will have to live in filth because neither of us can do any housework at all. I am sure that you would not want to live like this."

The review was a step in the right direction, but it would be an appalling irony if the review set up to address the problem caused the end to the services in question merely because of the time required to carry out the review.

Yesterday, the Government published a document entitled "Building a Better Britain for Older People". It states:

"Most people do not need residential care. Effective joint working, with a focus on promoting independence, between health, social care, housing and other agencies can play a big part in helping older people stay in their own homes, in comfort and safety."

Nobody would disagree with that aim. However, imposition of VAT on home support services is likely to have precisely the reverse effect. Many of my constituents will be unable to afford the increased charges and, consequently, will be unable to stay in their own homes.

A review is not sufficient. Under the terms of the directive, the legal case for exemptions is strong—but the moral case is overwhelming. I hope that the Minister will show that she has listened to the arguments by confirming today that home support services provided by charitable organisations such as Age Concern do not have to pay VAT.

10.5 pm

The Financial Secretary to the Treasury (Dawn Primarolo): I congratulate the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale) on initiating this debate and on his research on the issue. I hope that, when I finish my reply, both he and other hon. Members on both sides of the House who have written to me about the issue will be completely satisfied.

As the hon. Gentleman rightly said, in 1995, under the previous Government, there was a redefinition of welfare services. As a Minister, I followed that redefinition, which was provided for in legislation. He quoted a written parliamentary answer from me confirming that that was the policy that we inherited.

The Government completely support Age Concern's work, whether it is in Essex, Avon, Northumberland or anywhere else. We absolutely support the principle that we should as a Government facilitate the ability of members of our community to stay in their own homes for as long as possible. We recognise the contribution that charities—especially not-for-profit ones, such as Age Concern—make in those circumstances.

The hon. Gentleman mentioned the tribunal's decision. To save time, I shall not detail the very complex VAT reliefs, especially as they affect the charitable sector. I know that he is well aware that the House often has to deal with what are known as "border disputes" in the interpretation of tax law. Nevertheless, it is a matter of great concern that we shall have to deal with speedily.

I support the points that the hon. Gentleman made. It would be tragic if, while we were considering how to clarify rulings because of the tribunal's decision, there were subsequently problems for charities. It is important to understand the change in interpretation that is necessary because of the decision.

Before the tribunal's decision, our policy was to exclude services such as housework, shopping and gardening from the VAT exemptions unless they were incidental to the overall package of personal care.

[Dawn Primarolo]

The tribunal's decision has shifted that interpretation so that it now covers health and welfare. The VAT tribunal decided that services supplied on a not-for-profit basis constituted care for the purpose of VAT exemption—this is the crucial point—where social services assessed that there was a current or imminent substantial risk to the health and welfare of the recipient. The tribunal took a decision on the principle of interpretation. Customs and Excise now has to translate that decision on principle into how we make it work in action within the rulings and legislation.

The hon. Member for Maldon and East Chelmsford is correct. I have listened carefully and tried to ensure that we came to a conclusion as quickly as possible on this problem. The problem does not affect only Essex Age Concern. The problem that I faced was this; I will share it with the hon. Gentleman. We need to get the services that are covered by the new ruling right the first time round. We need to get a clear ruling from Customs and Excise so that the organisations can see where the exemptions exist.

We needed to be clear on exactly what services are provided by organisations such as Age Concern on a not-for-profit basis and what would and would not come within the changed decision on principle. We decided to consult directly with those organisations. A closing date of 15 January has been set for that consultation. I recognise what the hon. Gentleman said about the need for a final decision, so I intend to be able to announce the revised interpretation of the law on 1 February 1999. As this is not a change in law but a change in interpretation, the revised treatment can then be applied retrospectively. Charities will be able to claim a repayment and refund their clients.

The hon. Gentleman asked what happens now in terms of increased costs. I recognise that point. I confirm the proposals that he quotes from the Customs and Excise policy unit. We are saying that charities can anticipate the announcement and apply the wider exemption immediately, but I have to make it absolutely clear to them that, if they stop charging VAT and, as a result of the consultation we find that they have applied the exemption more widely than is provided for by the tribunal decision, we will expect them to pay customs the outstanding tax. That is not a very tidy arrangement, but I am trying to respond directly to the point that the hon. Gentleman, my hon. Friend the Member for Basildon (Angela Smith) and others have made to me. I am trying to facilitate the work of charities now.

Angela Smith (Basildon): I appreciate that what my hon. Friend has announced is not a tidy way to deal with the problem, but may I make it clear that it will be greatly welcomed by many people in Age Concern? Like the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale), I have written to my hon. Friend on many occasions recently on the matter. As patron of Basildon Age Concern, I thank her for her consideration.

Dawn Primarolo: I always try to assist hon. Members, taxpayers and organisations, especially charities that make such a valuable contribution. Therefore, I think that we can offer charities an alternative. Either they can wait until there is clear agreement between us all on what counts as the services provided now for health and welfare as a result of the tribunal decision, or they can anticipate the agreement by scrutinising the services that they provide and informing customs. However, I must repeat that, if charities interpret the rules as providing a wider exemption than the tribunal decision allows us to provide, we will ask them to pay the outstanding VAT. I hope that, if they choose that way, they will not then argue with the Government, who have been perfectly fair, open and straightforward in dealings with them, when it comes to paying any outstanding tax if it is due.

On that basis, we can take the issue forward. We must clarify what is meant by welfare services and how they affect not-for-profit organisations. We do our best to facilitate and protect those organisations in the current arrangements, but we must move to a speedy conclusion, which I hope that the whole House will accept.

I congratulate the hon. Gentleman on securing the first Adjournment debate of the Session. He chose an excellent subject to start with, because it is about supporting those members of our community who are vulnerable and ensuring that they have the necessary services, supporting charities that make an excellent contribution to our society and, most important, making sure that tax is fair and is seen to be fair. I hope that the hon. Gentleman will accept the assurances that I have been able to give him.

Question put and agreed to.

Adjourned accordingly at sixteen minutes past Ten o'clock.

House of Commons

Wednesday 25 November 1998

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Tourism

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Hill.]*

9.33 am

Mr. Bernard Jenkin (North Essex): It is a great pleasure to introduce this debate on tourism, which is a much under-debated subject in the House.

Looking around my constituency, which surrounds Colchester and includes many villages, one sees that north Essex is typical of the riches that England has to offer visitors from abroad and from other parts of the United Kingdom. With all due respect to the hon. Member for Colchester (Mr. Russell), Colchester has a fabulous history from Roman times, when it was established as the capital of Roman England—until it was sacked by Queen Boadicea in the Iceni uprising.

Today, there remains most of a huge Roman wall that surrounded the old town. The town is dominated by the largest Norman keep in Europe, which was constructed over the vaults of the Roman temple that the Iceni destroyed. The so-called Dutch quarter of the town contains a wealth of timber-framed houses that were constructed from the middle ages onward.

The scars of the English civil war remain visible on many of the buildings in the area, such as the church tower at Little Tey, which was partly destroyed by the royalists' cannon. The bullet holes from their muskets mark the beams of the pub, which is now called the Siege inn.

Around Colchester, scores of tiny villages have survived the influx of new building, cars and commuters. They retain their charm and tranquillity, and each has its own gem of a church, many of which are of Norman or even Saxon origin. The Stour valley and estuary, which stretch along the Essex-Suffolk border and include some of the most stunning scenery in the east of England, contain Dedham Vale—dubbed Constable country by his famous travelling companion on the train.

That is the historical, cultural and natural heritage that provides the background and basis for hundreds of businesses and thousands of livelihoods in that little corner of eastern England. Scores of bed-and-breakfast businesses depend on the regular tourist traffic that comes off the Harwich ferry. The hotels, restaurants and teashops cater for the day trippers and weekend breakers. The East of England tourist board tells me that Colchester's shops have attracted 20,000 shoppers from Europe this year, despite the excessive strength of the pound.

That is the first message: tourism is big business. Tourism and leisure are the United Kingdom's fastest-growing industry, and already comprise the fifth largest industry in the United Kingdom—it is bigger than the construction industry. Estimates vary, but it is worth more than £53 billion a year—5 per cent. of United Kingdom gross domestic product—and provides about 1.7 million jobs, which represents about 7 per cent. of employment in the United Kingdom. The British Tourist Authority claims that that is more than five times the number of jobs in the motor industry. In recent years, tourism has accounted for about 20 per cent. of new jobs in the United Kingdom economy.

In 1997, 26.2 million visitors came to Britain. They spent more than £12.8 billion—up 3 per cent. on the previous year. In addition, £3 billion was spent on travel with British couriers. In England alone, tourism is worth £42 billion a year and employs about 1.5 million people. In Scotland and Wales, tourism is the most important industry, and provides the only growing source of employment in many areas. Tourism employs more than 8 per cent. of the work force in Scotland and 9 per cent. in Wales. Now that there is a real prospect of lasting peace in Northern Ireland, tourism is fast becoming a major growth industry there as well, so I make no apology for claiming an hour and a half of the House's time on the subject.

The fast growth of tourism does not, however, make it an easy industry. Much employment is in the small business sector, where people work extremely hard, and long hours, for relatively little reward to establish the viability of their businesses. The BTA estimated last year that there were 220,000 businesses involved in providing services to tourism in Great Britain.

Because of our climate, the pattern of demand is highly seasonal. One would hope, therefore, that the tourist industry would rate as one of the Government's top priorities, especially as the potential for job creation continues to be huge. I hope, therefore, that the Government have fully taken to heart the criticisms made by the Labour-dominated Select Committee on Culture, Media and Sport, which complained about the stated aim of the Department. Its declared

"aim . . . is to improve the quality of life for all through cultural and sporting activities, and to strengthen the creative industries".

The Select Committee report complained about the narrowness of the aim, and added:

"Nor, most importantly, does it make any direct reference to tourism and thus is reinforced the impression that tourism is viewed as the Cinderella of the Department. Yet it is far and away the largest industry for which the Department is responsible and, in economic terms, the most important."

On the page dealing with the aim and objectives in the Department of Culture, Media and Sport document, tourism is conspicuous by its absence. The Select Committee concluded:

"We are, therefore, deeply concerned that, in policy statements by the Department and in public statements by Ministers, tourism is subordinated in favour of more glamorous and trivial matters."

I am an opera-goer. I do not think that opera is trivial, but we must also recognise the importance of tourism.

This is not a good start, after more than a year in office. Typically, once the spin doctors had got hold of the issue, there was a flurry of activity in the press, and the hapless Minister was sent on a somewhat ludicrous public

[Mr. Bernard Jenkin]

relations exercise. On 10 August, the Minister for Tourism, Film and Broadcasting began a fact-finding tour of England. I am delighted that she felt the need to find out the facts, which should have already been at her fingertips. A press release states:

"Tourism Minister . . . begins a major fact finding tour of English tourist destinations in Brighton today, ahead of the publication of the Tourism strategy later this year. Over the next two months she will visit every region in England to meet local tourism representatives and hear their views on the future of tourism and what the Government can do to support it."

That is after more than a year in office. The press release continues by quoting the Minister:

"'With the holiday season upon us I look forward to seeing examples of best practice for myself . . . I want to hear . . . how we can back the industry locally and regionally to increase its competitiveness.

"I will also be seeing how we can help".

It is a great privilege for the tourist industry to have a Minister offering help after more than a year in office. If she has listened to what real people involved with the tourism industry say, she will have heard what the problems are.

Miss Geraldine Smith (Morecambe and Lunesdale): It is a bit rich of a Conservative Member to talk about what the Government have done after 18 months in power when they had 18 years in power. As a representative of a seaside resort, I have seen the tourism industry decline. Jobs have been lost in the industry and 70 per cent. of our local tourist accommodation is now being made into housing in multiple occupation. Five-bedroomed guest houses are selling for £5,000 in the resort of Morecambe. That is happening after 18 years of Conservative government. What did the Conservatives do for British tourism and for seaside resorts? They had their chance and they blew it.

Mr. Jenkin: The important point that the hon. Lady is making is that she agrees with the Select Committee that tourism should be the Department's first priority. It is sad that, at least for the first year in government, tourism did not figure on the Department's radar screen.

What will the Minister have heard on her visits around the country? I hope that it went better than the social security ratios.

The Minister for Tourism, Film and Broadcasting (Janet Anderson): As the hon. Gentleman declined to answer the question posed by my hon. Friend the Member for Morecambe and Lunesdale (Miss Smith), I shall answer it on his behalf. Is he aware that, under the previous Government, the English tourist board's grant fell from £25 million to less than £10 million? Does he regard that as an illustration of the previous Government's commitment to tourism?

Mr. Jenkin: The Minister is trying to deflect attention from the Select Committee's report. We should concentrate on her job in government and the fact that she has been reprimanded by the Select Committee for neglecting tourism after a year in office. That is what should occupy her, not the previous Government's record.

What will the Minister have heard in all those tourist destinations that she visited during the recess? On the economic climate, she will have heard time and again—if she listened—how high interest rates and a high pound have hit the cash flow of many businesses in the past 18 months. Those factors are a direct result of the Government's mistakes on economic policy.

Independence for the Bank of England meant that interest rates rose higher and for longer than was necessary, and the British Incoming Tour Operators Association estimates that the number of overseas visitors in the current year ending in September was 4 per cent. lower than in the equivalent period for 1997, and said that the trend is still downwards. There have been 1 million fewer visitors to the United Kingdom, resulting lost income of at least £1 billion. David Quarmby, chairman of the British Tourist Authority, estimates that that will have cost the UK some 30,000 jobs.

The Government have piled new costs on business. Those affect the labour-intensive tourist sector badly, making it more difficult to employ people flexibly, and more expensive. The Government have introduced regulations arising from the EC directives on working time, on parental leave, and on part-time workers. Much in the directives simply reflects the good practice of good employers, but the regulations necessarily involve a lot of paperwork and monitoring, and create the potential for discord between employer and employee. Perhaps the worst aspect of those new laws is that they are likely to reduce job opportunities for women, because they tend to prefer part-time jobs, many of which will be replaced by full-time jobs, which are more likely to taken by men. I should have thought that that would concern the Minister.

Those regulations are intended to do no more than replicate the burdens on employers that already exist in other EU countries. As usual, the EU raises the level of regulation upward at a cost to the UK's industry and jobs.

Sir Rocco Forte told *Caterer and Hotelkeeper* on 27 March 1997:

"I have operated in every single one of the continental European countries and seen very clearly the disadvantages they work under."

The Government are actively promoting the disadvantages under which the tourist industry will have to operate. The effects of the national minimum wage have yet to be felt, but that will be yet another burden.

Miss Geraldine Smith: Will the hon. Gentleman give way?

Mr. Jenkin: I have given way to the hon. Lady already. I intend to be brief because I know that other hon. Members want an opportunity to speak in this debate.

The Government have disregarded tourism, our fifth biggest industry. They have damaged the industry with the downturn made in Downing street, and have burdened it with extra regulations and costs, which will damage growth and job creation. However, what have Ministers responsible for tourism done? I refer to a document issued following the comprehensive spending review, paragraph 1 of which states:

"For the past year we have been conducting a review of the Department's activities as part of the Government's Comprehensive Spending Review."

The document goes on:

"Our principal conclusion has been that all the areas for which DCMS is responsible are important".

That stunning analysis seems to dominate the Government's flaccid thinking on that whole question. On the pretext of that earth-shattering conclusion, Ministers

announced yet another round of consultation on all aspects of DCMS, including tourism. With incredible ineptitude, they put forward four options for the future of the English tourist board, not one of which includes the possibility of its continuing in existence.

I accept that the present relationship between the English tourist board and its regional counterparts is far from perfect. However, there are some real "sillies". For example, the English tourist board has produced a brochure entitled, "The Essential England". It deals with neither the west nor the east of England, because it was cheaper to produce a brochure that covers the east and the west. It places Buxton in the same region as Basildon and Hereford in the same region as Lowestoft. It is ludicrous to suggest that such an entity is marketable across Europe and the rest of the world.

The correct way to market the east of England, particularly to the short-haul overseas market, is to keep it as the east of England. I commend the tremendously good brochure, which I understand has been very popular, advertising the east of England. The East of England tourist board was unable to produce enough copies, possibly because of its over-centralising attitude towards the regions.

Mr. Richard Spring (West Suffolk): Does my hon. Friend agree that it is absolutely symptomatic of the Secretary of State's attitude towards tourism that the consultation process on the future of the ETB took place during the high summer season? Anyone who understands small businesses would know that that placed an impossible burden on hoteliers, which underlines what my hon. Friend has been saying—that, in practice, the Government care nothing for the tourist industry.

Mr. Jenkin: My hon. Friend is right. Whatever the problems faced by the English tourist board, the answer is none of the four answers provided to the question that nobody has asked: do we need to get rid of the English tourist board?

The ETB and its regional offspring look jealously at their Scottish and Welsh counterparts, which have much more substantial funding. Scotland spends £18.3 million, or £4.81 per head of population; Wales spends £14.6 million, or £6.36 per head of population; and England spends £9.73 million, or only 25p per head of population. The problems that we face in England are simply a reflection of that imbalance. I do not begrudge what the Scottish Office and the Welsh Office choose to spend on tourism, nor am I calling for higher public spending in England; but it is ludicrous to suggest that we can solve these problems by abolishing England's shop window on the world.

The east of England, including north Essex, has its attractions, but every region of England must live under the brand name of England, or it is nowhere. I used to work for the Ford Motor Company in sales and marketing. It would be much harder to sell a Mondeo or a Focus if it did not have a Ford badge on it.

One can only conclude that the name of England has become something of an embarrassment to Ministers in this post-devolutionary world. Scotland can have a Parliament, Wales can have an Assembly, but England must be lectured to by the Scottish Secretary. We cannot have a Parliament—we cannot even have a tourist board.

The tourist industry does not need this myopic obsession with regionalism. It would not be sensible to submerge the regional tourist boards into the new regional development authorities, because their functions would be swamped by all the other things the authorities will want to do.

I am sure that the Minister will have a lot to say—Ministers always do—but I would be happy with quite a short speech from her. It would be nice to think that she will make an announcement to the House today on the conclusions drawn from her consultation on the future of the English tourist board, but I doubt that the Government want the House to be the first to know.

The tourist industry is highly fragmented. Thousands of small businesses are not geared to the strategic international promotion that English tourism requires. There may well be better ways to deliver such a strategy through greater involvement of the private sector. Will the Minister tell the House—I have given her notice of this question—that the English tourist board will stay? Despite its limited budget, it plays a vital role in promoting one of our major national industries, and it should stay.

9.52 am

Miss Geraldine Smith (Morecambe and Lunesdale): I shall highlight the enormous difficulties faced by British seaside resorts, especially those affecting my constituency. It is outrageous that our seaside resorts are still reeling from the effects of the decline of the British seaside holiday in the late 1970s and early 1980s, despite the fact that tourism is forecast to be the world's largest industry by 2000. It is vital for the future prosperity of our nation that the British tourist industry play its full part in that expansion.

I blame the Conservatives for these problems, because they were in government for 18 years, and they did nothing to help British seaside resorts. We are living with the consequences. The town in which I grew up and have lived for most of my life was prosperous, and I have seen how the Conservatives allowed it to decline.

Many of our resorts have great natural beauty—magnificent beaches, splendid coastal terrain and breathtaking views—but they now play host to areas of dereliction and social deprivation that would match the worst found in any of our inner cities. Without a clear recognition that those conditions exist, and action is taken to remedy the situation, these resorts, which should be the cornerstone of British tourism, will continue to decline, and our tourist industry will fail to fulfil its potential.

I shall illustrate the problems that exist in many of our seaside resorts by referring to the position in my constituency. Over the past 20 years, 70 per cent. of the holiday accommodation in Morecambe and Heysham has ceased to be used for that purpose. Many of the huge number of redundant guesthouses and hotels are now used for multiple occupation, and are rented to families and individuals on social security benefits. Unscrupulous and usually absentee landlords have advertised extensively throughout Lancashire and elsewhere, exhorting people to come and live by the seaside. This huge pool of cheap and often sub-standard accommodation has acted as a magnet for the urban poor, the unemployed and the socially disadvantaged from those areas.

As a result, many parts of Morecambe and Heysham have a largely migrant population without roots in the area, and those people have few prospects in life.

[Miss Geraldine Smith]

Hon. Members can imagine the pressure that that places on our schools, especially those providing special needs education, and on social services. People come and go from the area. The daily flow in and out of those properties makes it impossible to establish any sense of community, and it makes nonsense of any attempt to provide reliable statistics on unemployment and social needs.

These areas not only are unemployment black spots, but have become hotbeds of crime and drug abuse. Three of the worst 10 and six of the worst 30 wards in Lancashire are in Morecambe and Lunesdale. Ill health, dereliction and social deprivation abound, but perhaps the most worrying aspect is the impact that they have on adjacent areas, causing them to decline and thus perpetuating the cycle.

Mr. Spring: The hon. Lady describes clearly the position in her constituency. What escapes me is the role that the Labour-controlled Lancashire county council and other councils in the area have played in letting the problems develop in the first place.

Miss Smith: The hon. Gentleman may not be aware that Lancaster city council has done a good job of trying to regenerate Morecambe. Obviously, a great deal more has to be done, and we need help from central Government—I make no bones about that. I shall ask the Minister for the help we require, because we received no help during 18 years of Tory government. Local councils had to act in isolation and in very difficult circumstances.

Morecambe and Heysham remains a beautiful area, despite these problems. I am proud to have grown up and to live there, and I want to stay there for the rest of my life. It is ideally located as a gateway to the lakes. Its views and abundant wildlife rival any in the country, and it has enormous potential for the tourism trade to be expanded. I pay tribute to our beleaguered business community, which has worked tirelessly to regenerate the resort and, against all the odds, has been remarkably successful through private-public partnerships.

However, it is high time those in Morecambe and other seaside resorts received the full support of Government to help them in what they are trying to achieve. Like many others, my area has applied for assisted area status. Our case is fully justified, but it remains to be seen whether we will be successful.

British seaside resorts have suffered through the collapse of their domestic tourism industries every bit as much as other areas have suffered from the decline of their core industries. Coalfield communities and areas affected by the decline in manufacturing have received assistance, and we need the same assistance. The Government should provide a package of measures aimed at regenerating seaside resorts. That is not only in the interest of those who live and work in the resorts, but in the economic interest of the nation.

I hope that the Minister will offer some hope to seaside resorts. It is important for us to be given hope, because we have immense problems to overcome. We also have immense opportunities. Morecambe is doing well as a seaside resort, and is striving to overcome the difficulties. I cannot miss this opportunity to ask the Minister to visit my constituency in the new year. I will be interested to hear what help she can offer British seaside resorts. That support is vital, and has been lacking for many years.

9.59 am

Mr. Ronnie Fearn (Southport): I welcome the new Minister to the first real debate on tourism that we have had, at least since the last Session. Having spoken to members of tourism bodies over the summer, I am pleased to learn that the hon. Lady is already regarded as a well informed and enthusiastic Minister. I trust that she will raise the profile of tourism in Government, as it is one of our largest and most job-creating industries. Its success and growth are vital to a modern Britain.

I am also pleased that the Minister has acceded to my request that she visit the beautiful and go-ahead resort of Southport. She will have plenty to see—both our traditional heritage, and the new investment that is taking place. Thanks to European, lottery and other funding, Southport's new promenade and sea defences have now been completed. The new town centre gardens have been opened on famous Lord street, the pier is to be renovated, and preparations are being made for the construction of a major new indoor complex.

As I see it, British tourism is approaching a crossroads. Year on year there has been growth in the industry, but two major obstacles lie in the way. First, owing to the very success of the industry up to this point—it is now the fifth largest in Britain—it has grown so large that a measure of strategic planning has been essential to overcome the problem of fragmentation, and also to protect our environment from the excesses that uncontrolled and sustained growth in an industry brings.

We need a permanent strategic body that does not merely cover the same ground as the Department of Culture, Media and Sport. I ask the Minister to consider establishing a tourism commission for England, consisting of representatives of the industry and Government. The DCMS should be involved, but so should the Department of Trade and Industry and the Department of the Environment, Transport and the Regions. We must get away from the image of tourism as solely part of culture, rather than part of economic development.

The tourism commission should also include tourism business leaders, as well as representatives of small businesses and other interested bodies. It could draw up a modern and relevant remit for the essential English tourist board and the British Tourist Authority; it could propose new planning regulations relevant to the needs of resorts and other tourist sites, and take evidence from trade unions and the Low Pay Commission. Tourism is one of the lowest-paying industries, with the least job security. The commission could also advise Government on their new transport policies. Tourism in England has no ombudsman, and standards vary considerably; a commission could set those standards, and appoint a watchdog to monitor them. Being a strategic rather than an operational body, it would not require any significant funding.

I trust that the Minister recognises that those issues need to be tackled in the medium and the long term if the industry is to be stabilised, and I hope that the Department's forthcoming tourism forum document will contain proposals to that effect.

The second obstacle to progress is the cost of tourism in Britain, compared to other European countries. As the Secretary of State for Culture, Media and Sport observed at a recent dinner of the Tourism Society, to attract overseas visitors we must market ourselves on quality.

To secure that quality, however, we shall need investment for the upgrading and maintaining of standards. I am glad that regional development agencies will have a major responsibility to tourism. Investment for tourism projects, which can be highly influenced by the exact needs of the location, should be directed at the projects themselves, rather than being decided centrally. It is, however, essential for funds available to tourism through regional development agencies to be spent on investment. Regional tourist boards have done a great job so far on their small budgets, especially in obtaining partnership moneys, and they should be maintained; but they must take on a new role, liaising with regional development agencies.

The lottery, through the national heritage memorial fund, has been a valuable source of money for the less commercial and non-commercial aspects of tourism, and for some major renovation projects. For example, although our Victorian piers and parks are not in themselves big money spinners, their presence attracts visitors, thus generating business for many resorts. I am keen for RDA funds for tourism to be used widely as match-funding for such investments. Many traditional resorts are members of the excellent British Resorts Association, whose advice should be sought on all aspects of regenerating our seaside towns.

With the ending of section 4 grants, small businesses in England and Wales lost access to funds to upgrade their facilities; yet the emphasis is now on quality. Small businesses in tourism have short seasons, and work to tight budgets. Because tourism is not an industry in which major profits are generally made—except in large London enterprises—funds from within the industry are seldom available to cover even the relatively small sums that are required. RDAs should have the option of helping to fund that sort of investment as well.

Another aspect of quality is who will monitor it. If, as is widely rumoured, the English tourist board's remit is to be reassessed, the Government must make alternative arrangements for the monitoring of standards. Another job for a tourism commission would be the drawing up of national guidelines, and the appointment of an independent monitor. That monitor should not work on a commercial basis, unlike the various bodies that currently grade hotels.

Notwithstanding new initiatives in respect of quality, prices and costs still matter. According to figures released by the British Tourist Authority, tourism receipts, for the first time, did not grow last year. We still have many visitors, despite the crisis in Asia, but the strong pound is reducing their spending power significantly, and they are not staying as long as they used to. The big issue relating to price, however, is that many more Britons are taking advantage of the relative cheapness of travelling abroad. If prices continue to be so high that it is cheaper for most people to take a summer holiday abroad—not even taking the climate into account—our domestic tourism may go into long-term decline, unless the Government take steps to redress the balance.

The introduction of the euro across the channel, but not in the United Kingdom, may damage us. International and business travellers will need to change their money into just one currency. Selling our holidays to Europeans will involve the expense of currency exchange, which will push up costs in comparison.

Mr. Jenkin: Will the hon. Gentleman give way?

Mr. Fearn: I will certainly give way to my friend from the Select Committee.

Mr. Jenkin: Is the hon. Gentleman suggesting that the vast majority of people who visit this country come from Europe? If so, he is much mistaken. People come from throughout the world. For instance, we have many visitors from the United States, south-east Asia and Japan, in whose decision-making the European currency issue is not paramount.

Mr. Fearn: The Americans have certainly been a major contributor to the industry so far, and American tourists will continue to come here; but as I am sure the hon. Gentleman has noticed, the Japanese are no longer visiting the country in such large numbers.

It is plain that, from the point of view of tourism—for which currency exchange is a major cost—the sooner the euro is introduced here, the better. I am pleased that the Government have moved to a position of "when" rather than "if". At least our attitude is becoming clearer, and that is much better for industry than the limbo in which we have been living.

Mr. Nigel Waterson (Eastbourne): Is the hon. Gentleman going to mention his party's proposals for the abolition of the BTA, and explain why he considers its abolition to be good for tourism?

Mr. Fearn: I have already mentioned the BTA twice; I have also mentioned the English tourist board. The proposal for abolition is not final, and there has been no firm statement in any of our documents.

Until recently, much of the work of the DCMS has been preoccupied with the "cool Britannia" image and similar diversions. Issues such as the strength of the pound, and one of the highest VAT rates levied on hotel accommodation providers anywhere in Europe, have been brushed under the carpet. The VAT crisis is particularly important, and the Government should tackle it.

Earlier this year, Deloitte and Touche published an extensive report on the likely effects on the industry, and revenue for the Treasury, of a cut in VAT on accommodation to the European average. The Government have had plenty of time to assess the report's findings. I ask the Minister—as I asked her predecessor—whether she has made any decisions on the basis of those findings, and whether she intends to press the case for a reduction of VAT to average European levels with the Treasury. Both this and the previous Government have pledged to equalise VAT rates across Europe as part of the establishment of the single market and the deal to end duty-free, which in itself will cost jobs. So far, however, the Treasury is stonewalling on the subject; nothing has happened. By equalising VAT, the Treasury could help tourism and raise revenue in the medium and long term.

Tourism needs to be a higher priority in investment and economic development, and there should be both a closer concentration on the quality of the product that we offer the consumer and a national long-term strategy for development. So far, such a strategy is lacking.

10.10 am

Mr. Lawrie Quinn (Scarborough and Whitby): I am grateful for the opportunity to contribute to this short debate. I congratulate the hon. Member for North Essex (Mr. Jenkin) on securing it, thereby giving the House the opportunity to discuss tourism and hospitality. He and I share the view that those industries are important not only to Britain and our constituencies, but to the economy and the social well-being of all our citizens. Most commentators predict that they will soon be the largest in Britain—indeed, globally. I rise to offer the House a snapshot—a postcard from the seaside, I suppose—of local developments in the industries.

If you, Mr. Deputy Speaker, were to travel to my constituency, which would of course be a great honour, you would see on entering Scarborough a sign which says, "Welcome to Scarborough . . . Britain's First Resort". That is true, and it represents the industries' vision in Scarborough and Whitby. I am very pleased that the Minister's tour of seaside resorts and of representatives of the tourism industry included a visit to my constituency in August. It was very closely followed by a visit from the hon. Member for East Surrey (Mr. Ainsworth), the Opposition spokesman. So both parties are apparently in listening mode.

As in the rest of the United Kingdom, the tourism industry in my constituency is fragmented and segregated. It is spread throughout rural areas, small villages, market towns and large conurbations such as Scarborough and Whitby. Tourism is of special and growing importance in north Yorkshire, especially in the North Yorkshire moors national park, which constitutes about 60 per cent. of my constituency.

Perhaps I should send you, Mr. Deputy Speaker, a postcard from the beautiful parts of the national park, such as the Esk valley. Instead of the comic seaside card that I had in mind when I got to my feet, perhaps I should be saying to all in the House, "Wish you were here." That is certainly the message that all people who work in tourism and hospitality in my constituency want me to convey. We do indeed wish that hon. Members would spend some of their hard-earned money in our resorts.

People visit Britain not only for the great delight of its scenic beauty but for our arts and culture—our museums, galleries and theatres. Indeed, one of the best regional theatres in the country is the Stephen Joseph theatre in Scarborough, which is run by Sir Alan Ayckbourn.

Mrs. Virginia Bottomley (South-West Surrey): It is funded by the lottery.

Mr. Quinn: The right hon. Lady is quite right to say that the theatre received a substantial capital contribution from the lottery, although revenue support was not thought through, and we failed to supply money. I am glad that, on the Minister's visit to Scarborough, I was able to accompany her to the theatre, where we discovered from Sir Alan Ayckbourn, no less, that tourism and hospitality are not only creative but vital industries. I take issue with the suggestion of the hon. Member for North Essex that the Department's vision does not cover the industries' creative side. The aspect is clearly stated in the Department's vision statement.

Sporting events are very important to our industries, attracting many international visitors. There has been the recent European football championship, and there are bids to stage the world cup and the olympic games. Given Scarborough's experience of hosting the Bulgarian football team, I would urge a note of caution. We were promised that many thousands of football fans would accompany the team, filling vacant spaces on caravan sites and in bed-and-breakfasts and hotels. Unfortunately, the fans did not visit the delights of the Yorkshire coast.

I therefore urge that, in planning international sporting events and attractions at globally renowned venues, such as the Millennium dome, which is not too far from Scarborough, the Government contemplate ensuring that the virtuous aspects of trade and tourism spill over to the more peripheral areas, such as the north-east of England and the constituency of my hon. Friend the Member for Morecambe and Lunesdale (Miss Smith). We need to plan and think about where visitors will stay.

When my hon. Friend the Minister visited Scarborough in August, we were able to share a business breakfast with many key members of the local industry. On that occasion, she showed not only that she was in listening mode but that, a mere two weeks into her new job, she was willing to take on board the ideas, problems and concerns of people who work in the industry in my part of the world. She certainly greatly impressed many people who attended. I know that she has received many letters from my constituents who were grateful that she visited us.

Mr. Spring: Has the hon. Gentleman asked the Deputy Prime Minister how many letters he received following his visit to Scarborough, which caused great hilarity because he left on a train but descended at the first available stop to get into his ministerial Jaguar? That was part of his listening to integrated transport strategy.

Mr. Quinn: I am sorry to have to correct the Opposition spokesperson, but my right hon. Friend had been opening my constituency office—the first ever in Scarborough. My office is a mere five minutes walk from the railway station. The hon. Gentleman is right: my right hon. Friend took the train to Seamer. From there, he visited two proposed park-and-ride sites. *[Laughter.]* I am sorry, but that is on record. Those two sites are very close to Seamer railway station. Far from not being concerned with integrated transport policy, my right hon. Friend demonstrated his great concern to the people of Scarborough and Whitby. In fact, we are hopeful that, in due course, we shall be hearing about the policy.

As evidence of the high regard in which the Minister is held in the tourist industry and the impact that she has made, I shall quote the chairman of the Scarborough hotels association, who told the local media shortly after her visit:

> "It's great to see tourism recognised as an industry and on the political agenda. We welcome this initiative and are pleased to contribute to the Minister's listening brief so early into her new role in government".

Far from ignoring my constituents' concerns and comments, work is being done. I look forward to hearing the Minister make a statement, which will build on the Labour party policy devised under the auspices of my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry).

Labour's document "Breaking New Ground—Labour's Strategy for Hospitality" was instrumental not only in my election to represent the seaside community of

Scarborough and Whitney but in helping to elect hon. Members across the United Kingdom. My hon. Friend the Member for Morecambe and Lunesdale, too, was elected on Labour's promise to fill the vacuum in tourism policy that was created by 18 years of the previous Government's failure. We are fulfilling that promise by listening to the industry, dealing with its concerns and working in partnership.

I should like to mention to the House one local initiative in Scarborough with which I have been involved. We have established a Scarborough tourism forum that brings together everyone involved in tourism and hospitality. The forum is a place where we can debate the real issues of the day and look forward to the future. The Minister was able on her visit to hear about the forum's work, and I hope that she will take on board the lessons it offered when she considers any future tourism strategies and initiatives.

I hope also that, in the near future, we shall see at all points of entry to the United Kingdom signs stating not only that Scarborough is our first national resort but that Britain is the first global resort.

10.21 am

Mr. Laurence Robertson (Tewkesbury): I congratulate my hon. Friend the Member for North Essex (Mr. Jenkin) on securing this debate on such an important subject, and on using the time allocated so wisely. As I realise the enormous value and importance of tourism to the United Kingdom—especially to London, which itself draws in much tourism to the United Kingdom—I should say first, in a non-political speech, that our hereditary monarchy and hereditary peerage are extremely valuable and important to tourism in London.

As I said, tourism is important to London, and tourism in London is important to the United Kingdom. However, London is not everything in tourism. Also, with great respect to hon. Members who have already spoken in the debate, seaside resorts are not everything in tourism. We have to market the other parts of the United Kingdom abroad, and to market UK tourism inside the United Kingdom.

Like my hon. Friend the Member for North Essex, I am concerned by plans to abolish the English tourist board. What will replace it? We have heard that responsibility for tourism may be given to regional development agencies. I am troubled by such a proposal for various reasons, the first of which is that my constituency will be on the very edge of the south-west RDA, which will also include Cornwall and Devon. The south-west RDA would tend to promote Cornwall and Devon—I have nothing against those areas—at the expense of other parts of the region.

My constituency and Gloucestershire generally, have far more in common with Herefordshire and Worcestershire than with Devon and Cornwall, and there is a strong likelihood that we in Tewkesbury would lose as a part of the south-west region. If responsibility for promoting tourism is given to RDAs, or to any similar regional authority, Tewkesbury would lose. I do not want that to happen.

Tourism is extremely important to the town of Tewkesbury, to the Cotswolds, to many other villages in the area and to the racecourse in my constituency. In Tewkesbury, excluding the racecourse, 12 per cent. of jobs depend on tourism, compared with the national average of 7 per cent. Tourism is a vital factor in job creation and sustainability, in education and in the preservation of old buildings.

Tewkesbury has many old buildings. However, it also has many shops that have closed, primarily because of a shortage of tourists. Although Tewkesbury is a very beautiful and historic town, it suffers from proximity to Cheltenham, which has many chain stores. The town of Tewkesbury therefore specialises in and relies on speciality and novelty shops, on the abbey, on its many old buildings and on the river. Although those aspects of the town are extremely important—some of them are very beautiful—that is not enough. They have not only to look attractive but to draw in trade.

I should like to stress again the importance of tourism both to my constituency and to the United Kingdom.

10.25 am

Mr. Christopher Fraser (Mid-Dorset and North Poole): The United Kingdom tourism industry, one of our most important money earners, now faces extremely testing times. For a long time, it has offered good prospects to those providing a high level of customer service, although rewards have rarely been achieved without significant investment and disregard of the timetable of an "ordinary" working week.

Tourism's importance to both the national and local economies is difficult to overestimate. I shall not go back over the figures on tourism's importance to the United Kingdom, as those have been dealt with sufficiently already in this debate. Nevertheless, the business generated by tourism accounts for more than 1.5 million jobs. We should not forget that fact. Certainly in the south-west, where my constituency is located, tourism is vital.

Foreign exchange earnings from overseas visitors make a valuable contribution to the UK's balance of payments and contribute directly to economic activity in favoured tourist destinations across the country. In Dorset, tourism plays a crucial role in local and regional economic activity and boosts local people's employment prospects—especially of school leavers, who may be unwilling or unable to move on to further or higher education. At its best, tourism produces good examples of training on the job. Many very committed young people go on to have a very successful career in the industry.

Tourism is vital for my constituents, and a great many jobs depend on it. Any decline in trade hits our employment and economic prospects immediately and hard. Many hotels, restaurants and entertainment facilities enjoyed by local people could not survive without a thriving tourism market to support their turnover.

We live in a popular area for visitors, not least because of the area's outstanding natural beauty. Our beaches win awards. Many people have second homes in Dorset, and, as we know, Bournemouth is a popular destination for both Conservative party and Labour party conferences.

The economic uncertainty faced regularly by many smaller providers in the industry is compounded by the seasonal nature of much tourist activity. Almost a quarter of trips to or within Britain occur in July and August. In the off-peak months, that can cause cash flow problems, especially for smaller family-run businesses.

[Mr. Christopher Fraser]

Then, of course, there is the weather. Apart from agriculture, the impact of poor weather is felt most keenly by tourism. If the summer is particularly bad one year, domestic demand may drop sharply. Consequent economic damage may be compounded if there is very little income at other times of year.

It is thought that tourism has growth potential in creating jobs and generating revenue. However, many issues—not least the Government's current policies—cloud the horizon and will undermine that potential. The Government's economic policies have had a heavy impact on the industry. Interest rates and exchange rates took their toll at the height of last summer's tourism season, and extra costs will continue to pile on pressure.

Red tape and regulation abound, and—with the introduction of the minimum wage, for example—will have a very real impact. Tourism relies on large numbers of students who undertake seasonal employment. It is also an industry in which young people have fewer qualifications but are willing to work hard for low initial reward, so that they may, with time, gain experience and better rewards.

I fear that the Government's proposals could damage the industry, particularly in the south-west.

Miss Geraldine Smith: Will the hon. Gentleman give way?

Mr. Fraser: I shall not give way to the hon. Lady. We have precious little time, and other hon. Members would like to speak.

If starting wages increase, employers will have to rethink their strategy and staffing levels to remain competitive in the global market.

As my hon. Friend the Member for North Essex (Mr. Jenkin) said, implementation of the European working time directive on work hours, annual leave and rest breaks also will have a major impact on the tourism industry. I am concerned that the Government have introduced regulations without adequate consultation with the tourism industry. The parental leave and the part-time workers directives are yet to come and they promise increased difficulties for an industry already under pressure.

I hope that the Minister will answer a couple of questions. Why does England get so much less grant in aid per head of population than Scotland and Wales? The south-west—as I have said, an area in which I have a particular interest—does especially badly. Perhaps the hon. Lady will respond on that point. The south-west is not a rich area. Indeed, it is an area of great poverty; and the further west one goes, the more poverty there is. Yet there is no reward, as there is in Scotland and Wales, for the industry with which we have to work in the area that I represent.

So far, our tourism industry has flourished, despite the rival attractions of overseas package holidays, the strength of the pound and the eternal problem of sometimes miserable weather, but I now fear for its future. Will tourism continue to prosper, and our local economy continue to reap the benefit, under a Labour Government? We face more costs, the import of more bureaucracy and the probable demise of the English tourist board, which fights for the industry at the national level. It is symptomatic of the Government's attitude that they want to abolish the ETB without knowing how to replace it—despite the almost universal support in the industry for a strengthened and properly financed tourist board.

Tourism is low on the Government's list of priorities. It is an afterthought and, perhaps, sometimes an irritation. The industry is misunderstood and sorely undervalued. Why else would the Department for Culture, Media and Sport issue a consultation paper requiring an industry response at its busiest time?

I am a member of the Select Committee on Culture, Media and Sport. It recommended that the Department's annual report should provide specific information on how its sponsorship results in enhanced economic performance in each of its sectors, based on the view of the Select Committee, which was overwhelmingly stuffed with Labour Members, that the Department's objective should be to foster the tourism industry. The Government have yet to persuade us and the House that they care. There are challenging days ahead and I urge the Government, once and for all, to take tourism seriously.

10.32 am

Mrs. Virginia Bottomley (South-West Surrey): I am delighted to contribute to the debate. I heartily congratulate my hon. Friend the Member for North Essex (Mr. Jenkin) on initiating it. Many hon. Members have spoken about the attractions of their constituencies and the importance of the tourism industry. That is certainly the case in South-West Surrey. The only problem for the industry is the Government's inaction in tackling the A3 at Hindhead—but more of that on another occasion.

Tourism needs champions. It is a fascinating industry and I congratulate the Minister on taking on these responsibilities. If she can leave the Department with the official responsible for tourism being most highly regarded and envied, she will have made a difference. The legacy which she inherits is one where the snobbery of the Department gives prestige to the arts, sport and culture, but not to the industry that can create jobs and make a difference.

Tourism could be a catalyst for the Department. We have discussed the errors that it has already made—the omission from the title, the omission from the mission, the censure from the Select Committee and its inability for several months to arrange a debate on tourism in the House. It has made many mistakes, but the hon. Lady may be able to save the day and join the list of champions of tourism and hospitality as the real sectors of growth for the next century.

I commend some other champions to the Minister. It is a people industry; it is about education, training and the people involved thinking that they are valued. Many are taking that message seriously. David Harborne has been doing splendid work at the Hospitality Training Foundation. I commend Professor Airey at the department of tourism at my university of Surrey. They are people who think that investing in people from vocational qualifications through to degrees will make a difference. I commend the Confederation of British Industry and its tourism task force. Some of the leaders of the industry—Rank, Whitbread, Scottish and Newcastle, Madame Tussaud's and many others—say that we have to act in partnership and put more back into the industry.

Above all, I commend David Quarmby, head of the British Tourist Authority and English tourist board. It was disgraceful to launch the consultation document in such a way that it appeared to obliterate the English tourist board. My hon. Friend the Member for West Suffolk (Mr. Spring) has done a magnificent job as our spokesman. He was at the launch of the BTA report on the day these insulting matters were being handled, and the people concerned were in ignorance of them. It is vital that there is a strong role for English tourism as well as a powerful and effective British Tourist Authority.

I hope that the Minister will persuade her Cabinet colleague to fight for the industry in Cabinet. She can do much to raise the profile, but she has to win the battles as well. Regional development authorities and local authorities can help by being more generous on planning. Rural areas could do better if only they could get the planning consents that they needed. Many of our heritage buildings could be transformed if they could get the planning consent and support that they need. The danger is that the RDAs and the local authorities want to municipalise tourism, rather than promote it. It is essentially a private sector enterprise, not a municipal activity.

Much has been made of seaside resorts. I happen to have a great liking for the Isle of Wight and understand the significance of tourism there. I am a great admirer of the hon. Member for Worthing, West (Mr. Bottomley) and understand the importance of tourism there, too. I think that I have visited the constituencies of every hon. Member who has spoken today and appreciates the importance of the industry. I am tempted to remind the House that, when I was Secretary of State, it was the Year of the Pier. I think that people understand the importance of piers in our coastal resorts. I hope that the House will regard this as the "Year of the Peer" and understand the importance of peers in our constitution.

10.37 am

Mr. Bob Russell (Colchester): I congratulate the hon. Member for North Essex (Mr. Jenkin) on initiating the debate and thank him for his generous comments about my constituency. I make but one addition to the civil war aspect and remind him that Colchester stood for Parliament.

In a forum where there is a great deal of political disunity, tourism should be a subject that unites us. If I have any regret today, it is about the politicking that has taken place—until this morning, I was not aware that tourism was a party political issue. That is certainly not my experience in the area that I represent.

Tourism is an inward industry, with visitors from overseas. Certainly Colchester has benefited recently from day tourists from the continent, so our greater European links need to be mentioned in that context. However, there is also tourism from within the United Kingdom, and I want to flag up one or two issues. One is the beach hut, and I declare an interest as I have a beach hut in the hon. Gentleman's constituency at Brightlingsea. The previous Government introduced value added tax on beach huts, of all things. That is not an incentive for people wishing to spend their holidays at home and be day visitors to many of our seaside resorts. The Minister is smiling, but this is an important issue in many of our smaller seaside resorts.

The second matter concerns the need for cheap accommodation, especially for young tourists from home and overseas. I make a special plea for capital grant funding for the Youth Hostels Association and similar organisations that provide accommodation for young people. I ask the Minister to investigate whether there is any way in which the Government could provide capital funding for new hostels and for refurbishment of existing ones.

10.39 am

Mr. Nigel Waterson (Eastbourne): This has been a good debate. I pay tribute to my hon. Friend the Member for North Essex (Mr. Jenkin), without whose initiative in calling this debate we would still be waiting for the Government to hold one. It is remarkable that there has been no Government-inspired debate on tourism since the election more than 18 months ago.

There have been some excellent speeches, and one theme was clear throughout—tourism is important; tourism matters. Tourism matters in a constituency such as mine, where it brings in more than £100 million a year and is responsible for about 6,000 jobs. That is one reason why I take such an interest in the subject and am pleased to be part of our Front-Bench team. I also speak as a vice-president of the British Resorts Association and as patron of the Eastbourne Hotels Association.

Hon. Members on both sides of the House have spoken this morning with knowledge of the subject and conviction, and I thank them all. I fondly remember the visit to Eastbourne of my right hon. Friend the Member for South-West Surrey (Mrs. Bottomley) during the Year of the Pier. I was not sure whether the mention of civil war made by the hon. Member for Colchester (Mr. Russell) was historical, or referred to the one currently raging in his own parliamentary party.

I have already mentioned my constituency. In a letter to me, the excellent director of tourism in Eastbourne, Ron Cussons, expressed his own concerns and supported those of the British Resorts Association. The Government have drawn on the BRA's excellent work in projects such as those to measure the local impact of tourism, but the director of the BRA, Peter Hampson, expressed in a letter his concerns about the new structure and role of the English tourist board. He asked:

"Will the forthcoming tourism strategy be truly strategic . . . ? Will Government recognise that large and medium sized coastal resort towns now all have pockets . . . of social and economic deprivation . . . ? Will Government take action to ensure that the short term dispersal of asylum seekers will not have long term social and economic implications for coastal resort towns?"

Mr. Cussons endorsed those concerns and went on:

"The season this year has not been good due to the World Cup, the inclement weather for Eastbourne and the high exchange rate. Fortunately, the conference trade has been exceptionally good. Therefore, the hotels have traded reasonably well."

We recently held a "listening to Britain" meeting for those involved in tourism in Eastbourne attended by my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley), the deputy Leader of the Opposition, and my hon. Friend the Member for West Suffolk (Mr. Spring). Those present, who represented a good cross-section of local tourism interests, voiced their concerns on several issues, including the widening tourism deficit, current rates of value added tax, the abolition of the ETB,

[Mr. Nigel Waterson]

inadequate transport infrastructure, interest rates, the strong pound, the minimum wage and inadequate funding for tourism generally.

We shall return to those themes, but for now I simply ask the Minister whether she agrees with David Quarmby, the chairman of the British Tourist Authority, who said:

"1997 was a very tough year for the British tourist industry, and all the signs show that 1998 is going to be just as bad. Without the strong pound, we would have expected 30,000 new jobs and £1 billion extra revenue next year. As it is, we did well to hold on to what we had."

What a damning indictment of the Government's economic policies. What does the Minister have to say to those 30,000 people who would have had jobs in tourism, but for her Government's policies? In opposition, the Labour party had many honeyed words for people involved in tourism throughout the country. After more than 18 months in office, how have the Labour Government risen to the challenges that other hon. Members and I have described?

The Government's first act was to change the name of the Department, but in such a way as to emphasise the importance of other activities at the expense of tourism. I have never heard a remotely convincing explanation for the omission of tourism from the title of the Department for Culture, Media and Sport. No doubt the Minister will have another try today.

In its own statement of aims and objectives, the Department made no mention of tourism—a glaring omission. More recently, on the occasion of the appointment of the hon. Member for Rossendale and Darwen (Janet Anderson) to the post of Minister for Tourism, Film and Broadcasting, the Government took the opportunity to downgrade the role of Tourism Minister from Minister of State to Under-Secretary of State. Apart from the gross discourtesy to the Minister, for whom I have a high regard as a former Whip, what message does that send to an already beleaguered industry?

In the most recent spending review, tourism received only 2 per cent. of the Department's total allocation—£6 million, compared to £115 million and £125 million for museums and the arts—yet it generates more than 80 per cent. of the Department's revenue. No wonder Richard Tobias, chief executive of the British Incoming Tour Operators Association, described the sum as "meagre". On top of all that, the Government are seriously proposing to abolish the English tourist board, while leaving the Welsh, Scottish and Northern Ireland tourist boards in place. That has brought forth a howl of protest from every corner of the country and every section of the industry. I presume the Minister has seen the conclusion of *Travel Weekly*—that there is 97 per cent. support in the industry for an enhanced and strengthened ETB. The feelings of the industry were in no way assuaged by the absurdly short consultation period.

We already know the funding figures: 25p per head for the population of England; £4.81 for Scotland; and £6.36 for Wales. The figures speak for themselves. There is no sign of the Government reintroducing section 4 grants to England, even though those are enjoyed by other parts of the UK. Fred Cubbage and his team at the South East England tourist board have stated:

"There are more overseas visitors to the counties of South East England than to Scotland, and . . . unemployment in parts of the South East are far higher than the average situation in Scotland. Is it time to level the playing field and acknowledge the power of the England brand as one of the key magnets for overseas tourism? We think so."

Against that background, combined with the worrying slide in revenue figures, what is the Government's solution? It is to abolish the ETB.

That could not come at a worse time. There is a record deficit in tourism across the country and a record 10 million holidays were taken abroad last year. As if that were not bad enough, devolution is upon us. I have little doubt that Scotland and Wales will grasp the opportunity of devolution to increase their spending on promoting their countries—and why not? What implications are there for the long-term future of the BTA? The Government have become masters of the law of unintended consequences, but who is to speak up for tourism in England if the ETB is destroyed? How would the Government ensure that the strategic role now played by the ETB continued to be carried out?

"Ah, yes," I hear the Minister say, "but what about the long-awaited tourism strategy?" What indeed? I must congratulate the hon. Lady on her attempts to right some of her predecessor's sins of omission by visiting at least some tourist resorts. However, there was a strange omission from the list that I saw, as the hon. Lady did not propose to visit the premier seaside resort in the country. Let me put that right now, by extending an enthusiastic invitation to her to visit Eastbourne and assuring her of a warm and friendly welcome.

When are the Government going to start to listen to the tourism industry? When can we expect the Government's strategy? It has been a long time coming. We were told originally—last year—that it would be published "next summer"; then, this year, the promise was, "later this year"; and the most recent prognosis was that it would come in the next few months. On the subject of tourism, one can say without fear of contradiction that the Labour Government have hit the deck limping. Will the Minister tell the House today when precisely her strategy document will see the light of day and when the ETB will be put out of its misery?

Today's debate is a wake-up call for a Government who have shown precious little concern for tourism—our fifth largest industry—since their election. As we have heard, the industry brings more than £50 billion a year to the British Exchequer and employs nearly 2 million British people. It directly accounts for 5 per cent. of British gross domestic product and 8 per cent. of all consumer spending.

I can promise our tourism and hospitality industry that the Conservative party will battle for tourism in Britain. We have pushed hard to secure this opportunity to debate the crisis facing our seaside towns and tourist attractions, which is a result of the Government's lacklustre attitude toward the industry. Towns across the country, from Bournemouth and Blackpool to Skegness and Southend, need the support of the Government if they are to thrive. That support is patently not forthcoming.

Tourists and employers are paying a high price for Labour's damaging policies. There have been four basic economic blunders: raising taxes, punishing savers, massively overspending taxpayers' money, and piling suffocating costs on to business. Those have combined to drive up interest rates and artificially strengthen the pound, causing domestic and foreign holidaymakers to stay away from Britain's coastal resorts, national parks

and major tourist attractions. In addition, the stifling regulation of job-destroying legislation, such as that on the working time directive and the minimum wage, will serve only to deepen a growing crisis in British tourism that the Government have engineered. It shows just how low a priority the Prime Minister places on that valuable national industry that his Department for Culture, Media and Sport does not identify tourism in its name, its aims or its objectives. The all-party Select Committee even acknowledged that tourism is

"far and away the largest industry for which the Department is responsible and, in economic terms, the most important . . . yet tourism is subordinated in favour of more glamorous and trivial matters."

The only attention that the Government have given to British seaside towns since the election has been to turn guesthouses into overspill DSS hostels for asylum seekers, and to delay and delay again over a fantasy tourism strategy. To add insult to injury, they have forged ahead with plans to abolish the ETB. Tourism is paying a very high price for the inadequate policies of this Labour Government.

10.50 am

The Minister for Tourism, Film and Broadcasting (Janet Anderson): I join hon. Members on both sides of the House in congratulating the hon. Member for North Essex (Mr. Jenkin) on securing this morning's debate. We all welcome the opportunity to discuss what is undoubtedly one of Britain's most important industries.

I take the strongest possible exception to the allegations by Opposition Members that the Government do not recognise the importance of tourism, which contributes some £53 billion a year to the economy and employs 1.7 million people. It is also one of our fastest growing industries, and we certainly take it extremely seriously. The hon. Member for Colchester (Mr. Russell) said that he hoped that cheap party political points would not be made during the debate, and that is certainly not my intention.

The hon. Member for North Essex highlighted the industry's importance for employment. We have been liaising closely with the industry on the Government's proposals for the new deal to get young people off benefit and into work.

Many hon. Members have also mentioned our current consultation on the structure of support for the industry, and I shall return to that later in my speech. The aim of our consultation was to make sure that what funds were available were used wisely. Under the departmental spending review, the British Tourist Authority has been allocated an increase of £6 million, in contrast to reductions in funding to tourism in recent years.

Tourism is extremely important in my constituency of Rossendale and Darwen. When my right hon. Friend the Prime Minister appointed me to this post, I was very encouraged when the *Manchester Evening News* visited one of my local tourist information centres in Rawtenstall and said what a wonderful service it provided.

Other hon. Members raised important constituency matters. My hon. Friend the Member for Morecambe and Lunesdale (Miss Smith) rightly referred to the plight of many seaside resorts around the country. Our domestic tourism working group charged a quality sub-group with looking at that problem. It examined a resort regeneration action plan piloted by Redcar and Cleveland borough council, and that is likely to form part of the tourism strategy.

Before I leave the subject, let me pay tribute to my hon. Friend the Member for Morecambe and Lunesdale, who is truly a champion of tourism in her constituency, and to the excellent work in Morecambe which has transformed the town in recent years. Of course I can give her the assurance that I shall visit Morecambe as soon as I can. It will not be my first visit there, but I look forward to visiting it again.

I thank the hon. Member for Southport (Mr. Fearn) for his kind words. He mentioned the success of the industry and its potential for growth. I also congratulate him, as he has become the champion of the English piers. We were all delighted to learn that Southport pier was to be refurbished and renovated.

Mrs. Virginia Bottomley: May I remind the Minister that it was with lottery money?

Janet Anderson: It was indeed. We are grateful for and supportive of the money that the lottery is putting into similar projects around the country. During my fact-finding mission in August—I reassure the Opposition that it was truly a fact-finding mission—I visited the west pier in Brighton, which is also to be renovated using some lottery money, as well as considerable private sector investment. We see that very much as the way ahead.

The hon. Member for Southport said that he thought that a strategy for the industry was missing. Let me assure him that that is no longer the case, and I shall return to that later in my speech.

My hon. Friend the Member for Scarborough and Whitby (Mr. Quinn) referred to my visit to his constituency in the summer. I greatly enjoyed talking to the local tourism forum, which greatly assisted our consideration of the strategy and what was needed to help the industry. We were particularly impressed by the forum in Scarborough, which included local residents as well as hoteliers and people who ran the various amusements and attractions in the area. When considering sustainable tourism, it is important to include the impact on local communities—another factor that our strategy will take into account.

My hon. Friend also mentioned the millennium dome. We are proud of our decision to go ahead with the millennium dome, which will benefit not only London—although we expect some 3 million visitors to London for the millennium—but many other parts of the country. The excitement that has been generated by the project is incalculable. On Sunday, I very much look forward to switching on the floodlights at St. Anne's church in Turton, which have been funded specifically by millennium money.

The hon. Member for Tewkesbury (Mr. Robertson) mentioned that London was a gateway. Of course it is. Many people who come to London also visit other parts of the country. He referred to hereditary peers as a particular attraction. That may be true, but whether they have a vote is probably irrelevant.

The hon. Member for Mid-Dorset and North Poole (Mr. Fraser) is a member of the Select Committee. He and some of his hon. Friends made much of the criticism by the Select Committee that the Department does not take tourism seriously. He may not be aware that one of

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the first things that I did on taking this job was to change the order of my title, so I am now the Minister for Tourism, Film and Broadcasting. It may seem a small gesture, but it has been warmly welcomed by the industry.

The hon. Gentleman may not know that I visited his part of the country in the summer and was most impressed. I was delighted to return to Studland bay, which is one of the most beautiful beaches in the country. I spent a lot of my childhood there. I was most impressed by the management scheme on Purbeck, which is an important tourism attraction. A great deal has been done to introduce park-and-ride schemes and manage the number of visitors.

Mr. Fraser: I was aware of the hon. Lady's visit to Dorset, where there was much comment about why she did not go up in a hot air balloon in Bournemouth.

Janet Anderson: I did many other things, but I did not go up in a hot air balloon because I did not fancy the idea, but it did not diminish my ability to learn about the local tourism industry.

Mr. Jenkin: In the very short time she has left, will the Minister address the issue of the English tourist board?

Janet Anderson: Of course. I recognise that the hon. Gentleman was most concerned about that issue and I shall address it before I finish my speech.

Let me briefly thank the right hon. Member for South-West Surrey (Mrs. Bottomley) for her kind words. I agree with her whole-heartedly that the industry needs a champion. It is a fragmented industry which needs leadership. Our consultation with all sections of the industry has made that plain. We shall certainly take it on board in our strategy, which will be published in the new year because that is when most people think about their holidays.

I should like to address the point raised by the hon. Member for North Essex about the consultation process. We consulted widely with the industry because we wanted what public money was available to be spent as wisely as possible. Despite his criticism that the consultation process was carried out over the summer, we received more than 300 responses. The overwhelming majority called for a central co-ordinating body. That will be reflected in our decision, which will be announced soon. One of the main aims of the process was to get better help to the regions. I am sure that the hon. Gentleman and his hon. Friends will welcome that commitment.

Gulf Crisis

10.59 am

Mr. George Galloway (Glasgow, Kelvin): This is a profoundly important subject which affects many people's lives and touches our country's vital interests. I shall ask my right hon. Friend the Minister a series of questions, not all of which I expect him to answer today, but on which I hope he will write to me in due course.

The fact that there is a crisis in the Arabian gulf cannot be gainsaid. Just over a week ago, American and British sailors and airmen readied themselves, we are told, for political orders from the United States President and my right hon. Friend the Prime Minister to launch a series of devastating raids involving cruise missiles and a massive bombardment of Iraq.

By the grace of God and the skilful diplomacy of the Secretary-General of the United Nations, Kofi Annan, the slaughter that would have resulted was averted—much, it seems, to the disappointment of some. It was reported that, after the Secretary-General had accepted Tariq Aziz's letter, President Clinton felt that he could not justify the attacks, especially as the Pentagon's assessment was that they would have left 10,000 people dead—every one of them somebody's son or daughter, father or mother, husband or wife.

Do Her Majesty's Government share the Pentagon's estimate that 10,000 Iraqis would have been killed if the attack had gone ahead? If not, what is their estimate of what the death toll would have been? How many of the dead Iraqis does my right hon. Friend estimate would have been high officials of the Ba'ath party, important military or security officers, or innocent men, women and children with no responsibility whatever for the actions of their Government, whom they never elected and cannot remove?

We keep hearing that the Government have no quarrel with the Iraqi people, but how many dead does my right hon. Friend think would constitute a price worth paying? Does he recall the words of the American officer who said, as he incinerated yet another hamlet on the Mekong delta, that the village would have to be destroyed in order to save it?

My right hon. Friend will be familiar with the words of Madeleine Albright, the US Secretary of State. During an interview on US television, Lesley Stahl asked her:

"perhaps half a million Iraqi children have died as a result of sanctions, is the price worth it?"

Albright replied:

"It's a very hard choice but the price . . . we think the price is worth it."

Do Her Majesty's Government share the view that the death of hundreds of thousands of Iraqi children—who, I assure my right hon. Friend, bleed just like his children and mine—is a price worth paying for their political objectives?

Mr. Tam Dalyell (Linlithgow): My hon. Friend will recollect very well the terrible sights in the hospitals that he and I have visited in and outside Baghdad. Does he also recall Denis Halliday writing in *Middle East International* on 13 November that 6,000 children were dying each and every week?

Mr. Galloway: I remember it vividly. This week's *Tribune* reported that Denis Halliday, a former UN Under-Secretary-General, also said:

"We are in the process of destroying an entire society. It is as simple and terrifying as that. It is illegal and immoral."

Those are the words not of me or my hon. Friend the Member for Linlithgow (Mr. Dalyell), but of the former humanitarian co-ordinator for the UN in Baghdad.

I fear that someone was talking to my right hon. Friend the Minister when I asked whether Her Majesty's Government shared Mrs. Albright's view that the 500,000 children who, according to Lesley Stahl, had died as a result of sanctions, were a price worth paying. Perhaps, unlike Mrs. Albright, the Government contend that children are not dying as a result of sanctions—that is the position that some Ministers seem to have adopted in the bellicose days of late. Do the Government accept that any Iraqis have died as a result of the sanctions? If so, how many, and how many would they consider a price worth paying?

Mr. Andrew Robathan (Blaby): The hon. Gentleman may be surprised to know that we have common ground on this issue, but does he have any estimates of the number of Iraqis who died in the Kurdish area before and after the Gulf war as a result of nerve agents? How many Iraqis—and, indeed, Iranians—died in the Iran-Iraq war, which was stimulated by Saddam Hussein? Although many of them were soldiers, they were all, as he rightly pointed out, some mother's son. How many people in the marsh areas have died as a result of the actions of Saddam Hussein? Most people estimate that Saddam Hussein has killed more than 500,000 of his people, so does not the hon. Gentleman believe that Saddam Hussein bears some responsibility for the situation in Iraq?

Mr. Galloway: The figures are, in fact, rather worse than the hon. Gentleman suggests. The Iran-Iraq war was a lunatic and disastrous conflict, but it was encouraged by the west, which armed both sides, and had a vested interest in its continuing for as long as possible. The numbers who died were perhaps a million on each side, so I am in no doubt about the disastrous consequences of those eight years of war—or, indeed, of the gas attacks on Halabja. However, the Conservative Government continued to do business as usual with the Iraqi regime after the Halabja tragedy was brought to their attention, not least by Labour Members when they were in opposition. If the hon. Gentleman does not believe me, he can read the Scott report for elucidation of that point.

It is scarcely credible that a Member of Parliament should seek to justify—if that is what was being done—our killing hundreds of thousands of Iraqis on the grounds that the Iraqi dictator was responsible for the deaths of hundreds of thousands of Iraqis. Are we saying that we are morally equivalent to the Iraqi dictatorship?

Mr. Dalyell: Those who have seen the war memorials of first world war proportions in Iran will know that, in the Iran-Iraq war, the Iranians suffered a terrible loss. However, the Iranian Government have made it absolutely clear that the last thing they want is a British-American military strike against Iraq. Given our better relations with Iran, could not Ministers at least talk to the Iranians about the matter?

Mr. Galloway: My hon. Friend is absolutely correct, and I shall deal with that point later.

The House will now be familiar with Mr. Denis Halliday, whom, I assume, my right hon. Friend the Minister will not want to accuse of ignorance or bad faith. Halliday is a former Under-Secretary-General of the United Nations, and was an official of the UN for more than 20 years. He is a respected Irish official, who formerly served as the UN humanitarian co-ordinator in Baghdad.

Last July, Dennis Halliday resigned his post, saying that he could no longer defend a policy which he described as "bankrupt." As my hon. Friend the Member for Linlithgow mentioned, Halliday has said that between 5,000 and 6,000 Iraqi children every month of every year are dying as a result of sanctions. Is Halliday lying? Is Halliday wrong? If he is not lying, and if he is not wrong, is the Minister really saying that we are prepared to kill more than 200 Iraqi children each day of every month of every year in pursuit of our ethical foreign policy and our non-quarrel with the Iraqi people?

It ought not to be necessary to describe in detail the suffering of the Iraqis under sanctions, given the acres of detailed reportage by fine British journalists in some of the finest newspapers in the world—people such as the incomparable Robert Fisk, Alexander Coburn, Maggie O'Kane, Ron McKay and Felicity Arbuthnot. Again, I ask the Minister—are these people lying? Are they wrong?

Was Martti Ahtissari—the then UN Under-Secretary-General, and now the President of friendly Finland—lying when he said:

"nothing that we had seen or read had quite prepared us for the particular form of devastation which has now befallen Iraq"?

Was the UN Food and Agricultural Organisation lying when it said:

"the continued sanctions have virtually paralysed the whole economy and generated persistent deprivation, chronic hunger, endemic malnutrition, massive unemployment and widespread human suffering . . . with the vast majority of Iraqis simply engaged in a struggle for survival"?

Was the UN World Food Programme lying when it reported:

"Alarming food shortages are causing irreparable damage to an entire generation of Iraqi children . . . a fifth of Iraq's population is at severe nutritional risk . . . we are the point of no return in Iraq . . . the social fabric of the nation is disintegrating . . . people have exhausted their ability to cope"?

Was *The Lancet* lying in 1995 when it said that, since 1990,

"567,000 children in Iraq have died as a result of sanctions"?

Mr. Ivan Lewis (Bury, South): Notwithstanding any differences that hon. Members may have about where the responsibility lies for the suffering of the Iraqi people—whether it is economic suffering, or suffering due to the tyranny of Saddam Hussein—does my hon. Friend agree that there have been times in history when he and other hon. Members have no doubt advocated sanctions against repressive, tyrannical regimes because that was the only way to influence those regimes? For example, did my hon. Friend advocate sanctions against South Africa during the time of apartheid?

Mr. Dale Campbell-Savours (Workington): And Iraq.

Mr. Lewis: And Iraq. If so, what is the difference now?

Mr. Galloway: There is no dispute about the quotations that I have given the House, which unequivocally place the

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responsibility for the massacre upon sanctions. The UN World Food Programme, the UN children's fund, *The Lancet*, the president of Finland—all say that those deaths are being caused by sanctions.

The tyranny of Saddam Hussein is another question, to which I shall return. I was on the demonstrations against the tyranny of Saddam Hussein when British Ministers were inside the embassy, signing trade deals. I do not know whether my hon. Friend the Member for Bury, South (Mr. Lewis) was with me in the 1970s when we formed the Campaign Against Repression and for Democratic Rights in Iraq. Perhaps he was there, and I just did not know him then. However, nobody in this House has a longer record of opposition to the Ba'ath dictatorship in Iraq than me. That I can unequivocally state.

Mr. Lewis: I was at school in the 1970s. More seriously, will my hon. Friend answer my question? Has he personally ever advocated sanctions against the Iraqi regime, or any other tyrannical regime, because he believed—as the Government believe—that that was the only way to bring the political leadership of that country to its senses and to democracy? If so, has not he understood the inevitable consequences of those sanctions? Why is the situation now so different?

Mr. Galloway: I was coming to that point. I, too, was at school in the 1970s—I look older than I am.

Mr. Lewis: Not at the same school.

Mr. Galloway: Probably not, no. However, that did not stop me demonstrating or getting involved in political work. I reiterate my point, because I suspect that there is a sub-text. No one in the entire House has been active in political campaigns against the dictatorship in Iraq for longer than me—although some have been active for as long.

I was in favour of economic sanctions against South Africa.

Mr. Campbell-Savours: And Iraq.

Mr. Galloway: I was in favour of sanctions, rather than war, against Iraq in 1990. I have not changed my mind about that. If I have a choice—either Iraq is bombarded with cruise missiles tonight, or sanctions continue—of course I will choose sanctions. To do otherwise would be to call upon the visitation of missiles, bombs and weapons of horrific destruction against the people of Iraq. Why is that the choice being offered me by my hon. Friends' intercessions? I want to develop the argument for a policy that does not rely upon sanctions or upon war.

My hon. Friend the Member for Bury, South talked about sanctions bringing a regime to its senses. Is the Iraqi regime coming to its senses after eight years of appalling carnage? As the bodies are stretched end to end—the hundreds of thousands, the million or more dead Iraqis—is the Iraqi regime, in my hon. Friend's terms, coming to its senses?

Mr. Lewis: Will my hon. Friend give way?

Mr. Galloway: No. I have given way to my hon. Friend twice, and I want to make some progress.

Is the Iraqi regime changing its policy as a result of the carnage? No. Even the best friends of this policy do not pretend that it is working. Is not a policy that is both immoral—as Dennis Halliday, the others whom I have quoted and I say—and ineffective overdue for review?

Was the distinguished foreign editor, Victoria Brittain, lying when she said in 1995 that there are

"20,000 new cases of child malnutrition every month"?

Was the World Health Organisation lying when it said:

"health conditions are deteriorating at an alarming rate under the sanctions regime . . . the vast majority of Iraqis continue to survive on a semi starvation diet . . . the damaging effects of poor nutrition are being compounded by epidemics and by a precipitous decline in health care, the most visible impact of which is seen in the dramatic rise of mortality rates amongst infants and children"?

Are the WHO, the United Nations officials, the distinguished correspondents and the medical journals all lying when they spell out the catastrophic price that is being paid by ordinary Iraqis as the result of the policy that my right hon. Friend the Minister supports? I beg him not to try to wash his hands of all the suffering by blaming it on others. It is a spot that will not out, and all the perfumes of Arabia will not expunge it. *[Interruption.]*

My hon. Friend the Member for Bury, South may think that it is funny, but let him imagine the ocean of blood represented by all the dead people about whom all those eminent authorities have spoken.

Mr. Lewis *rose—*

Mr. Galloway: My hon. Friend is a good friend of Israel, and I will come to Israel's crimes in a moment. I have no doubt that he will want to intervene at that point, so I advise him to keep his powder dry for that.

Mr. Dalyell: On the subject of the perfumes of Arabia, in Iraq I saw by far the worst pollution that I have ever seen anywhere. Last night, I explained to the Deputy Prime Minister that, for all his good work in Buenos Aires, sanctions create pollution because of the lack of spare parts and the endless streams of leaking, badly maintained oil wagons going from Iraq to Amman. The good work in Buenos Aires is negated by what is going on in Iraq, and indeed Iran.

Mr. Galloway: When Baghdad was sacked by the Mongols in the 11th century, the Tigris ran red with blood. In the 15th century, it ran black after the sacking by Timur's hordes of the world's greatest library at Mustansariya. Let me assure the House that the Tigris and the Euphrates run brown today with raw sewage. People from the villages and hamlets in rural Iraq drink directly from those rivers, because of the breakdown of the water purification systems.

Mr. Campbell-Savours: My hon. Friend talks of rivers of blood. Does he recall the article in *The Sunday Telegraph* by Mr. Con Coughlin, who debriefed in detail a Mr. Sami Salih, who was a friend of the person in charge of the military industrialisation commission and set out in graphic detail what is going on in Iraq today, referring to the mass executions and the huge loss of life inside and outside Baghdad, the elimination of whole villages, the destruction of houses, and the way in which Saddam Hussein is hoarding munitions and weapons of

mass destruction under swimming pools and in parks throughout the country, to be used against his own people? The west has a responsibility to deal with Saddam in some way. The problem is that people such as my hon. Friend persist in misreading the situation, and they do not come up with solutions. What is his solution?

Mr. Galloway: I am glad to say that I do not rely on Mr. Coughlin of *The Sunday Telegraph* for my information.

Mr. Campbell-Savours: Why not?

Mr. Galloway: Because it is a rubbish newspaper, and he is a rubbish journalist.

Mr. Campbell-Savours: If you disagree, it is rubbish.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order.

Mr. Galloway: I could debate with my hon. Friend the value of Mr. Conrad Black to the English-speaking world, and the value of his newspapers to the great body of newspapers.

Mr. Deputy Speaker: Order. I hope that the hon. Gentleman will not go down that path, but will remember that this is a time-limited debate to which others want to contribute.

Mr. Galloway: Indeed, Mr. Deputy Speaker, but I have been very generous in allowing hon. Members to intervene. Perhaps I should press on.

I am not sure what my hon. Friend's point was supposed to mean. If it means that Saddam is a tyrant, I am the last person who needs to be told about that, but how many executions has he carried out? Has he executed 567,000 children or killed more than 1 million people, which is the number that United Nations officials say have been killed by sanctions? I very much doubt it, but even if he had, is his river of blood an excuse for us to create our own? That is the $64,000 question.

Does my right hon. Friend the Minister know the tears that have been shed over the more than 1 million corpses, dead as a result of the policy over the past eight years? Do not think that Iraqi women do not cry over the deaths of their children, or that Iraqi children do not cry over the suffering of their parents and grandparents. I and my hon. Friend the Member for Linlithgow are in a position to tell the House that a walk through the vale of tears that is Iraq is almost too much for the ordinary mortal to bear, so searing is the grief, so traumatised the population, and so enraged the people with whom we say that we have no quarrel.

What is all this for? Is it about the inadmissibility of the acquisition of territory by force in the middle east, contrary to international law and in defiance of Security Council resolutions? It cannot be, can it? Iraq withdrew from its illegal occupation of Kuwait seven and a half years ago, while another middle eastern country, Israel, has continued to occupy not one or two but three Arab countries for decades, in absolute defiance of a whole series of United Nations Security Council resolutions, and in flagrant disregard of international law.

Iraq has rescinded its annexation of Kuwait, but has Israel rescinded its illegal annexation of the Golan heights or of east Jerusalem, the holiest of Christian places and one of the most sacred sites of Islam? The answer, of course, is that it has not.

Is it about weapons of mass destruction, then? Well, it cannot be that, either. After all, who were the first to use chemical weapons against Kurdish tribesmen in Iraq? We were, in the 1920s, and the allies used them again in 1991, when we used what are essentially atomic weapons.

Mr. Campbell-Savours: They are not atomic weapons.

Mr. Galloway: The weapons were made of depleted uranium: 900,000 uranium bullets and 30,000 uranium shells were used in the south of Iraq, where radioactive dust has entered the water, the food chain, the bodies, and, ultimately, the children of Iraq, and is responsible for the huge cancer and leukaemia epidemic, with a tenfold increase in the number of cancer cases in the country.

Has my right hon. Friend the Minister read the trail-blazing journalism of Robert Fisk, the doyen of middle east correspondents, on the subject? Does he think that Fisk has got it wrong? What can he tell us about the World Health Organisation investigation? My hon. Friend the Member for Workington (Mr. Campbell-Savours) says that the uranium weapons are not essentially atomic weapons, but in *The Toronto Star* this week Michele Landsberg said:

"DU, a toxic nuclear waste, is used to coat missiles and bullets, increasing their armour-piercing power. It bursts into flames on impact and is 'aerosolized' into radioactive dust. The stuff remains radioactive for 4,500 million years."

The article continued:

"The U.S. Defence Department"

estimates

"that 630,000 pounds of depleted uranium were fired in the gulf in 1991".

We used other weapons as well, such as fuel air bombs which ignite huge volumes of petrol above their human targets, creating, in effect, mini nuclear explosions. We also used napalm and cluster bombs. All those weapons were described by the 49th session of the Economic and Social Council of the United Nations as

"weapons of mass and indiscriminate destruction".

Can my right hon. Friend the Minister do any better than his colleagues in answering the following question in a way that will make sense in the Arab world and on the streets of Muslim countries? Why is it that Israel, which illegally occupies the territories of its neighbours, and which has sought to obliterate Palestinian identity for half a century, is allowed to amass a mountain of chemical, biological and even nuclear weapons, while no Arab country is allowed to do so?

Mr. Ivan Lewis: Will my hon. Friend give way?

Mr. Galloway: Later.

When I asked that question in the House recently, a number of Tel Aviv's little echoes in the Chamber chorused that Israel was a democracy. Leaving aside the question of how a country that illegally occupies the territories of others can be so described, and leaving aside

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the fact that 1.5 million Palestinians lived under brutal Israeli occupation for more than 30 years without ever being allowed to vote—

Mr. Lewis: Will my hon. Friend give way?

Mr. Galloway: Later.

Leaving aside the fact that, for the crime of telling the rest of us about Israel's arsenal of weapons of mass destruction, Mordechai Vanunu is held in solitary confinement, serving a 20-year sentence, and had his jaw wired up in court like Hannibal Lecter in "The Silence of the Lambs" in case he told the court anything else, surely hon. Members, including the friends of Israel who are present, can see that international gangsterism by a country that claims to be a democracy is worse—not better—than gangsterism practised by a regime that makes no such claims.

After all, the Iraqi people have no responsibility whatever for the actions of their Government, because they did not choose their Government and they cannot remove their Government, no matter how much we make them suffer. The Israeli people, however, are entirely responsible for the actions of their Government, because they elected their Government and they can remove their Government.

Mr. Lewis: Does my hon. Friend accept that petty, personal and vindictive attacks do nothing to enhance his argument, but in fact undermine it? Does he accept that Israel is not only a democracy, but engaged in an on-going peace process with the Palestinians? Recent weeks have seen progress in that peace process. My hon. Friend does nothing to help his case when he seeks to rewrite history about the relationship between Israel and its neighbouring countries. The reality is that Israel has been surrounded throughout its history by countries hell bent on its destruction, including the regime in Iraq.

The problem with my hon. Friend's whole argument is that, by turning the issue into a comparison between Israel and Iraq, he lets Saddam Hussein off the hook once again, and reinforces his strength in the Arab world. That is what is so irresponsible about my hon. Friend's argument about the British, American and Israeli Governments' responsibility. It is Saddam Hussein who is responsible for the situation that faces the Iraqi people and for the instability in the middle east.

Mr. Deputy Speaker: Order. The hon. Member for Bury, South (Mr. Lewis) cannot make a speech in an intervention. May I add that moderation should be the hallmark of language in our debates? I have heard nothing out of order so far, but laying the stress on moderation would be helpful in the present atmosphere.

Mr. Galloway: I do not believe that it can be petty and vindictive to allow my hon. Friend the Member for Bury, South, with his well known views, to intervene in my speech four times. Indeed, it is probably generous. I am not sure that the people who live in the illegally occupied Golan Heights, illegally annexed by Israel, look on Tel Aviv as a democracy. I am not sure that the people of southern Lebanon, occupied by Israel since 1982, look upon Israel as a democracy. Certainly, the 1.5 million Palestinians who have lived for more than 30 years in occupied West Bank and Gaza have never been allowed to vote. I do not imagine that they look upon Tel Aviv as a democracy. Even if I accept that Israel is a democracy, my point is that crimes committed by a democracy are worse than crimes committed by a dictatorship. That is indisputable.

Has anyone advanced any proposal to punish the people of Israel for the international law breaking of the Government whom they elected? No, unless one counts making them participate in the Eurovision song contest and the European cup winners cup. I know that my right hon. Friend the Minister, as a long-time friend of Israel, does not like the double standards argument, but I assure him that it is an argument permanently on the lips of every Arab, from the most august in the palaces of the friendly Arab states to the man and woman in the street and it is the principal reason why his policy is utterly discredited in the Arab and Muslim world, and more widely.

What about the white knights of UNSCOM, led by Richard Butler? Can my right hon. Friend the Minister hazard a guess why a senior—and I mean very senior—still-serving official of the UN should describe Mr. Butler to me recently, on the basis of more than 20 years' close knowledge of the man, as a "congenital liar"? Is my right hon. Friend aware of the widespread unhappiness in the secretariat of the UN and in the Security Council about the conduct and the style of work of Mr. Butler?

Did my right hon. Friend read the article by David Usborne in *The Independent* almost a year ago in which he wrote:

"The criticism voiced privately in the corridors of UN headquarters is this: in his handling of the crisis that has put the United States on the brink of military action in the Gulf, Mr. Butler has failed utterly to lower the temperature. Indeed, by refusing to moderate his confrontational style, he has provoked almost everyone involved."

An opinion whispered a year ago in the corridors of New York is now openly discussed by everyone, except—it seems—the US Government and our own.

Can my right hon. Friend the Minister understand the widespread view that Mr. Butler is a provocateur who has his men swaggering around Iraq, trying not to resolve the remaining questions between the UN and Iraq, but to create pretexts for continuing the crisis and even to provoke a new and terrible military confrontation? The Arabs feel it, the majority of the permanent five on the security council feel it, and the Minister must know it. That feeling was exacerbated when Mr. Butler's deputy, the former US intelligence officer, Scott Ritter, announced to the world, after leaving his post, that he had indeed collaborated with Israeli intelligence during his time in Baghdad.

While I am on that subject, my right hon. Friend the Foreign Secretary said four weeks ago that he would write to me about the revelation—the source of which was in New York, not Baghdad—that four named agents of the Israeli intelligence service Mossad had served under false names and false passports as UNSCOM agents of Mr. Butler in Baghdad. What has been the progress of my right hon. Friend's investigation of that matter, and when will he be in a position to write to me as he promised?

Mr. Dalyell: A fortnight ago, the former Irish Prime Minister, Albert Reynolds, and I sat in the office of UNSCOM talking to the acting director, the honest

Finn Jaakko Ylitalo, and Caroline Cross. When we asked about Scott Ritter, they said, "Please don't mention him, we are ashamed."

Mr. Galloway: That is widely felt.

The events of the past week have vindicated absolutely the contentions of those who say that UNSCOM under Butler is bent upon provocation. There was the ridiculous squall over missing or non-existent paperwork which, if we had listened to the preposterous foreign affairs spokesman for the Opposition, would have seen us wipe out 10,000 people over a missing Iraqi air force diary dating back to the 1980s. It was a preposterous call, which was rightly ridiculed by Liberal Democrat spokesmen as well as by our own Government.

What would the bombing, called for by the Opposition spokesman, have achieved? Would it have produced the diary or incinerated it? Does the diary exist or not? Cannot the Minister see that, to seek to elevate this paper chase into a casus belli against a now practically defenceless country simply reduces us to figures of ridicule?

Some of the documents do exist and Iraq has said that the inspectors can read them but not take them away. They must read them in the presence of Prakesh Shah, the respected UN special envoy. What is wrong with that? Are we to wipe out 10,000 Iraqis in order to exercise our inalienable right to photocopy Iraq's whole national archive? If we do, how much support does the Minister think that we will have for such barbarism in the world, on the Security Council or in the Arab League?

The problem with the documents, which Iraq says do not exist, is, in microcosm, the central problem of the whole issue. How can someone be asked to prove a negative? I could insist that the Minister is hoarding a silver threepenny bit in his house and, after he denies it, I could search his house year after year after year, all the while starving his wife and children. I might then say, finally, that the Minister must prove to me that he does not have a silver threepenny bit. That is a recipe for endless confrontation and misery.

Then there is that old reliable chestnut, kept in reserve for that rainy day when even UNSCOM cannot justify its odyssey in Iraq any more, and that is the issue of Kuwait's missing in action. Of course, the United States has great experience of using that one and has made it the stuff of half a dozen Rambo fantasies. The search for the bones of American MIAs kept the embargo against Vietnam, Cambodia and Laos going for literally decades, and it is being dusted down again for use in the Gulf as the final excuse for continuing the quiet massacre of sanctions.

Mr. Keith Vaz (Leicester, East): Will my hon. Friend give way?

Mr. Galloway: I must press on.

There is an old saying that when one is in a hole, one should stop digging. Our policy towards Iraq is in a deep hole, neither moral nor effective, yet we seem incapable of devising an exit strategy to get us all out of that hole. Let us take the most recent act of excavation in which my right hon. Friend the Minister of State was involved—the much-trumpeted act of meeting and seeking to unify the Iraqi opposition based in London. It included everyone from the Turkoman Liberationists to something called the Democratic Monarchists who seek to put on a newly minted throne in Baghdad one of two pretenders to the kingdom—Sharrif Ali Bin Hussain—who left Iraq when he was still a baby.

Does the Minister really believe that the Turkoman organisation—there are six such organisations of Turkomen, and Turkomen constitute no more than 6 per cent. of Iraq's population—or the Democratic Monarchists are serious contenders for power in Baghdad? There is also the so-called Iraqi National Congress, whose CIA funds have been discontinued because of the shambolic and corrupt incompetence it has displayed. Has the Minister spoken to his counterparts in friendly Jordan about the three prison sentences handed out to the INC leader, Mr. Chelabi, for his involvement in the Petra bank fraud scandal?

The Minister met the Shi'ite representatives in the form of Iraq's Islamic Supreme Council. Given the experience of those other holy warriors whom we financed, armed and trained, the Afghan Mujaheddin, is the Minister really sure that that is the company he wishes to keep? Is it the Government's policy to try to help the Shia revolution to power in Baghdad? Do the Government think that Iraq can be ruled by Turkomen or by the two Kurdish parties when they take a break from murdering each other?

I heard the Minister on the admirable Nicky Campbell's phone-in programme on Radio 5 yesterday. He said that he was meeting "constitutional" politicians. Really? On the very day, almost at the very hour when the Minister was pouring tea for his new friends, one of the "constitutional" activists threw two hand grenades into a crowd of people in the Shia holy city of Karbala.

Mr. Robathan: Will the hon. Gentleman give way?

Mr. Galloway: No, I will not give way any more.

Of course, the grenades did not hurt the deputy Prime Minister of Iraq at whom they were aimed, but they made some spectacular holes in the faces and bodies of the civilians who were in the crowd.

The Minister may say that he wants no part of that, although he did not quite say that on Radio 5. Does he think that that act of terrorism was unconnected with his meeting with the Opposition in London? Does he think that its timing was just a coincidence? Does he think that that will be the last act purchased, not by British money but by the $97 million voted by the US Congress for the armed overthrow of the Iraqi regime? Does he realise that that money will take us down the road that leads to the illegal mining of the harbours of Nicaragua by the Contras, to the Bay of Pigs fiasco, to the blowing up of hotel foyers in Cuba and to the obscurantist barbarism of present-day Kabul?

Mr. Robathan: Will the hon. Gentleman give way?

Mr. Galloway: I am not giving way again.

Does the Minister realise that the road down which he is taking us is illegal under the very legislation that our Government rushed through both Houses of Parliament during the summer? The Criminal Justice (Terrorism and Conspiracy) Act 1998 makes it an offence under British law to plan or encourage others to plan to commit any act which would be illegal in any other country. I know that,

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because I was the person responsible for defeating the attempt made by the previous Government to introduce precisely that law.

Just what activities does the Minister imagine that the Iraqi Opposition, newly unified by him and refreshed by their $97 million, intend to plan from their bases in London? Would they be activities that are legal or illegal in Iraq? If the activities they plan are illegal in Iraq, will our Law Officers proceed to prosecute them?

Mr. Ivan Lewis: Will my hon. Friend give way?

Mr. Galloway: I am not giving way again.

If, as seems obvious, they do not prosecute, what will happen in the courts to any attempts to prosecute the madmen based in London who exhort others to fire upon tourists at Luxor or to murder Muslims at prayer in the mosques of Algeria? Does not the Minister know that what began with two hand grenades in Karbala will become car bombs in Baghdad, explosions in shopping malls in Mosul and carnage on the streets of Basra? Does he know that the process he unleashed on Monday is not only illegal under our laws but contrary to article 2 of the charter of the United Nations, paragraphs 4 and 7? It is contrary to the Arab states treaty against terrorism, signed by every Arab country, including Iraq, on 22 April this year and ratified by the Egyptian Parliament just last week.

Has the Minister seen the criticism of his new initiative from Amr Moussa, the Foreign Minister of Egypt, and from the League of Arab States? What does he have to say in response to that criticism? Will my right hon Friend say how he viewed the meeting yesterday at the US embassy in Grosvenor square between Martin Endick, the US Under-Secretary of State and the Iraqi opposition groups? Unlike Her Majesty's Government, the American Administration have pledged money and arms to our new friends. What were they discussing at the meeting yesterday? Were they planning how to use those arms? Why did the meeting take place in our capital city? Are our Government privy to the strategy that was being mapped out there?

That brings me to the nub of my argument, which is how far we have a policy of our own toward the Arabian Gulf and to what extent we are being subsumed in a crude, unsophisticated American policy which has done and will do great damage to our once pre-eminent position of influence in the middle east. We were guiding statecraft in the middle east when American cowboys were still ethnically cleansing red Indians.

Wherever I go in the middle east, our friends ask why we are following the USA so blindly. What is in it for us, they ask. They point, for example, to Kuwait, where Britain once had most of the business, and where now we have almost none. They point out that the Union Jack has been burned in the streets along with the Stars and Stripes in countries in which the BBC, the Beatles and Bobby Charlton were once considered the acme of all that was good in the western world.

The fact has not been missed in the middle east that there were no French aeroplanes lined up on the tarmac a fortnight ago to kill 10,000 Iraqis. There were no Italian planes, no Spanish, no German, no Dutch, no Canadian, no Australian, no Russian, no Chinese, no Saudi, no Syrian, no Egyptian, no Moroccan, no Algerian and no Tunisian. There were no planes from the Emirates, and none from Jordan. There was no one from the coalition mustered in 1991, except for John Bull and Uncle Sam. Everyone in the world was out of step, except our Johnnie.

If we really want to end the apparently perpetual cycle of crisis and suffering, and the threats of violence, there are measures that we can and must take. First, we need a new head of UNSCOM, a head who is respected by his colleagues, by the Security Council and in the region.

Mr. Dalyell: Hear, hear.

Mr. Galloway: It will surprise hon. Members and the country that no Arab inspectors are permitted in UNSCOM. That means no Saudi scientists or Jordanian engineers. Why? A new UNSCOM leadership must make the effort to build bridges in the region across which success may come.

Secondly, light at the end of the tunnel must be offered to the Iraqis in exchange for their co-operation. Why is it so difficult to produce an agreed file of what has been achieved during eight years of UNSCOM work? Thousands of weapons have been destroyed, many hundreds of sites have been inspected and a huge monitoring apparatus has been put in place. A file might help us to put in perspective that which has not yet been achieved.

I am among those who believe that UNSCOM has almost completely destroyed Iraq's non-conventional military capacity. I say that not because I trust the word of the Iraqi regime, but because it is not logical that Iraq would continue to endure its current agony in order to hide things that it could easily reproduce once sanctions had been lifted. The awfulness of non-conventional weapons is that they exist in the minds of scientists and engineers in all countries. Nor are Einsteins an essential requirement; a group of crazed Japanese terrorists operating from a greenhouse halfway up mount Fujiyama produced enough sarin nerve gas to massacre the population of Tokyo, and they had a delivery system—a human courier—to introduce it to the Tokyo subway.

What is to prevent the Iraqi President from building up an arsenal again? The short answer is that we can do as much or as little to prevent that as we can to stop any dictator becoming over-powerful. Does the Indonesian dictatorship possess weapons of mass destruction? Yes, it does. Does it occupy other people's territory illegally? Yes, it does. Are we starving the Indonesian people, and proposing to bombard them until they give that territory up? No, we are not. The previous Government sold Indonesia all the arms it could buy, and even our Government have not placed a military sales embargo on Indonesia.

UNSCOM should provide a clear list of sites that it wishes to visit. That list can be as long as UNSCOM likes, but once the sites have been inspected and cleared, the matter must be at an end. Of course international monitoring of Iraq will have to continue. Of course an embargo on weapons and military hardware should remain. I have always been in favour of a military

embargo on Iraq, unlike the Conservative party. However, only when the murderous economic sanctions are finally lifted will the Iraqi people be able to breathe again.

Mr. Dalyell: UNSCOM tells us that it visited 496 sites, but found no violation.

Mr. Galloway: That is correct. It also inspected all the presidential sites. I remember the maps that were brought to the House. We were told that the presidential sites were bigger than Paris, but they turned out to be smaller than Paddington. They turned out to be rather smaller than the presidential sites occupied by our royal family in London, never mind the presidential sites that that family occupies outside the capital. I am against all palaces, and I am glad that the Iraqi ones have been searched, but absolutely nothing was found in them, despite their elevation into a casus belli in February. The sites have been searched over and over. Cameras have been placed on them, but there are no violations.

Let UNSCOM produce a list as long as it likes, so long as, once the list has been exhausted, there is no more moving of the goalposts, and no more pulling of rabbits from hats as excuses for continuing the agony. Only breathing men or women free of constant fear of hunger, illness and disease can turn their minds to politics, and to the need for democratic change in their country. That democratic change is sorely needed in Iraq.

11.56 am

Mr. Dale Campbell-Savours (Workington): I want to clarify one point, which is whether anything was found. Let me tell my hon. Friends the Members for Glasgow, Kelvin (Mr. Galloway) and for Linlithgow (Mr. Dalyell) exactly what has been found. Since 1991, in carrying out its mandate under United Nations Security Council resolution 687, the UN Special Commission has destroyed or made harmless a supergun, 48 Scud missiles, 40,000 chemical munitions, 690 tonnes of CW agents, 3,000 tonnes of precursor chemicals, and biological warfare-related factories and equipment. The International Atomic Energy Agency found a nuclear weapons programme far more advanced than suspected, and dismantled it.

My hon. Friend the Member for Kelvin made an interesting speech, and my hon. Friend the Member for Linlithgow also intervened. However, both my hon. Friends make it their policy in the Chamber to make statements that are simply not true. When we consider in detail the allegations that my hon. Friends make, and when we research the documents that they should have researched, we find that the truth bears no resemblance to their statements.

My hon. Friend the Member for Kelvin wrote off the comments made by Mr. Sami Salih, but that man seems to me to have been particularly well connected. He knew all the people involved, and he talked of a series of front companies managed by his friend that were responsible for the importation of defence and military equipment in breach of sanctions, and paid for from revenues for oil exported through Iranian waters and through the port of Dubai. Saddam Hussein has clearly constructed a mechanism by which to employ people to export oil in breach of sanctions to raise money to fund an internal weapons programme. That is a perfectly legitimate target for UNSCOM. We need to know what is going on.

My hon. Friend the Member for Kelvin spoke as if there were no threat. Saddam Hussein presents a threat to people in Iraq, and to other people. My hon. Friend said that no aircraft were involved in the multi-country operation last week, but there may be a simple reason for that: many countries may not be prepared to be identified as involved in actions against Iraq for fear of Scud or chemical weapons attacks on them. If I lived in a neighbouring country, that would be my view.

Mr. Dalyell *rose—*

Mr. Campbell-Savours: I would like to give way to my hon. Friend, but I am conscious of the time.

I want to move the debate on, to the position of the Iraqi National Congress and what has happened in Washington. As my hon. Friend the Member for Kelvin knows, $95 million has been allocated to the INC for operations. The Americans have managed to find a way to justify that within their constitutional and legal arrangements. Congress has enacted legislation and has found a way. It recognises that the use of those weapons would inevitably undermine the regime in Baghdad, which must be the preoccupation and objective of all of us. The question is, what is the British position on the matter?

My hon. Friend the Member for Kelvin set out a perfectly reasonable argument, outlining the international legal framework as he understands it, which in his view prohibits the INC in the United Kingdom from being involved in particular exercises overseas. I want it to be involved in such exercises. I want the Baghdad regime to be brought down. I believe that the civilised nations of the world have a responsibility to break down a dictator who threatens international stability and, in particular, stability in the middle east.

Without wanting to criticise my right hon. Friend the Minister—I support the Government's position, as he knows—I want to know why the Americans are prepared to be a little more robust than the British in the way in which they advocate their support for INC activities. We seem invariably to use the terminology, "It is not our role to be involved in bringing down a foreign leader." I think that we have a responsibility, and I want us to take a more robust position.

Finally, on sanctions busting, which I mentioned recently, I do not understand why we cannot block oil exports to Turkey from Baghdad by lorry. Information on those freight movements is well documented and those revenues, along with those secured by the sale of oil through Shatt al 'Arab and the port of Dubai, are funding the regime in Baghdad. I cannot see how it would be possible for Saddam Hussein to survive if those revenues were cut off. That is another approach, and we should be adopting it.

My hon. Friend the Member for Kelvin spoke eloquently for 50 minutes but, despite promises, did not offer us a way forward that would resolve the crisis, apart from suggesting that certain UNSCOM officials should be removed. That was his only recommendation.

Mr. Galloway: That is not true. My hon. Friend cannot have been listening.

Mr. Campbell-Savours: I listened carefully to my hon. Friend's speech, and that was the only recommendation that

[Mr. Campbell-Savours]

I could identify. I do not believe that it will resolve the problem. We need to be far more robust and to take positive action.

12.3 pm

Mr. Keith Vaz (Leicester, East): I think I am the only Member of Parliament who was born in a country in the Arab world—Yemen—and I simply want to make a brief point to my right hon. Friend the Minister of State. Will he assure the House that he has had the fullest possible consultation with our allies in the Gulf?

I recently returned from a visit to Bahrain, where some of the points made by my hon. Friend the Member for Glasgow, Kelvin (Mr. Galloway) were related to me informally—obviously, the formal position remains that all the Gulf countries fully support the actions that are to be taken by the United Kingdom. However, the House and the rest of the Arab world should be assured that we are consulting our allies and keeping them informed of what is happening, and that we will take no action unless we have their support.

There is a view that we are acting on our own, without consulting others. It is important for the Minister to use this opportunity to reassert the fact that we are going with the co-operation of countries that have always shown Britain good will and which want to continue to trade and invest in Britain and to remain our firmest and strongest allies.

12.4 pm

Mr. Tam Dalyell (Linlithgow): On the final point made by my hon. Friend the Member for Workington (Mr. Campbell-Savours), about stopping lorries crossing the Turkish border, the economy of Jordan is entirely dependent on the oil lorries, which go all the way from the Iraqi oilfields to Oman. The Iraqis sell the oil to Jordan at 60 per cent. of cost. The Jordanian economy refines it and pays in kind. It is entirely geared to what happens in Iraq. Therefore, there will be real problems with stopping the oil lorries.

As it is more important that the House hears the Minister than hears me, I shall make one request, which is that, before any military action is taken, a group of American and British officials should at least go to Baghdad to talk in depth to people such as Dr. Riyadh al Quasi. Many points of fact are in dispute. I understand many of the difficulties, not least with Israel, but one hears Iraqis say that there is a synagogue in Baghdad although there is not one in a number of other Arab states. I realise that the Jewish community there may be small and ancient.

There are many matters to be discussed—and before any precipitate military action is taken, for God's sake let us send a delegation, preferably with some Arab speakers, to talk things through properly.

12.6 pm

Mr. Michael Howard (Folkestone and Hythe): I congratulate the hon. Member for Glasgow, Kelvin (Mr. Galloway) on obtaining this debate. It is even more timely today than it might have appeared to be when he applied for it. He made a powerful speech. At the heart of his position is concern for the future of the Iraqi people. That is a proper cause and basis for anxiety, but it is a concern shared by the international community and reflected in the fact that, notwithstanding the sanctions imposed on the Iraqi regime, it has the facility to sell $10 billion of oil a year with which to finance the purchase of food and medicine for the Iraqi people. Alas, it is not a concern shared by that regime. As my right hon. Friend the Leader of the Opposition said, Saddam Hussein chooses instead to spend that money

"on weapons of war and the luxurious life style of his entourage".—[*Official Report*, 16 November 1998; Vol. 319, c. 611.]

The concern of the international community—and, I have no doubt, that of the hon. Gentleman as well—for humanity does not stop at the borders of Iraq. What lies at the heart of the anguished consideration that so many people have so often given to the questions that arise as a result of the activities of the Iraqi regime is concern for the people in the region as a whole, as well as and including the people of Iraq. We are dealing with a regime that has proved itself capable of the most brutal treatment both of its citizens and of others—a regime that would not hesitate not only to manufacture but to use weapons of mass destruction. We are dealing with a regime that has played fast and loose with the international community. It is a regime that poses a direct threat to humanity. If Saddam Hussein gets his way, countless lives will be at risk. That is what lies at the heart of our concern.

There is no lack of evidence to support that concern. Last week, the Prime Minister referred to the question marks that remain over 610 tonnes of precursor chemicals for the nerve gas UX; over material capable of producing large amounts of anthrax; and over missile warheads designed for chemical and biological weapons. Contrary to Iraqi assurances, traces of UX have been found in missile warhead fragments.

Reference has been made to the recent Iraqi defector, Sami Salih. I think that the hon. Member for Kelvin acknowledged that he was well placed to testify to the intentions of the Iraqi regime. Sami Salih has said that the regime never had any intention of complying with the terms of the United Nations resolutions on weapons inspections, and that he had seen

"missiles hidden all over Iraq".

Another recent defector, Abbas al-Janati, told the BBC last week that rocket launchers are constantly moved between sites to outwit the UNSCOM teams, and that an army brigade was dedicated to undertaking anti-UNSCOM measures. The threat is real and appalling, and it has to be met with resolve. That real and appalling threat justifies the action taken by the United States Government and Her Majesty's Government, and it makes the most recent breach of faith by the Iraqi regime a matter of acute apprehension.

Last week, the Prime Minister told the House:

"One of two things will now happen: either he"—

Saddam Hussein—

"will co-operate, in which case inspectors will do their job, or he will fail to co-operate and . . . force will follow."—[*Official Report*, 16 November 1998; Vol. 319, c. 612.]

Within days, the Prime Minister and the international community had received their answer; within days, the work of the UNSCOM inspectors was again being thwarted; and within days Iraqi obstruction and prevarication were once again the order of the day.

Of course, we are not arguing for a precipitate response. No doubt it is necessary for a cool assessment to be made of the latest crisis, and the head of UNSCOM may want to report to the Security Council on the latest position. I hope that the Minister will tell us whether there was such a report before the Security Council last night, and give us a more comprehensive statement on the outcome of that meeting of the Security Council than has so far become available.

What we must not have in relation to Iraq is a repeat of the lamentable saga that took place earlier this year over Kosovo. Dire threat after dire threat was issued against President Milosevic of Serbia, not least by our own Foreign Secretary. Time after time, Milosevic was given what was described as a final warning, and, time after time, nothing was done. That is a classic recipe for how not to conduct foreign policy, and the failure of that policy can, alas, be measured in the loss of life and intense suffering that took place in Kosovo. The lesson of Kosovo is clear: if a threat cannot be fulfilled, do not make it.

The whole House will want to resolve the crisis over Iraq, including this latest episode, without needing to take military action—but resolved it must be, and if it can be resolved only through the use of force, Conservative Members will support any action that is clearly related to achievable objectives.

I hope that the Minister will answer a number of questions. Will he clear up the confusion that evidently exists over Government policy towards the objective of removing Saddam Hussein from power? Last week, my right hon. Friend the Leader of the Opposition suggested to the Prime Minister that a prime objective of western policy should be the removal of Saddam Hussein from power. The Prime Minister appeared to agree with my right hon. Friend.

Since then, we have heard a great deal from the Government about their efforts to help the Iraqi opposition—I hope that the Minister will tell us about any progress that has been made on that front in the past few days—but BBC news was reporting this week that neither the United States nor Britain has declared a new policy of trying to overthrow Saddam Hussein. Which is true? I hope the Minister will clarify this confusion.

Can the Minister be a little more specific than he and others have been about the precise basis on which they affirm that legal authority for the use of force exists? Will he confirm that the Government believe that no further resolutions of the Security Council are necessary? Which resolutions provide the necessary authority for action, in the Government's view?

Despite what the hon. Member for Kelvin said on the matter—I did not follow his argument at all—and in so far as resolution 687 is relevant, will the Minister comment on the references in that resolution to the return of Kuwaiti prisoners of war? He will be aware that those prisoners of war are widely thought to be still alive and that some of them have reportedly been seen in Iraq. What part does their fate play in assessing Iraqi compliance with UN resolutions?

Will the Minister also say what assistance, if any, the Government plan to give to the Kurds in northern Iraq? He will be aware that there appears to be evidence of a recent rapprochement between the two factions. Can he tell the House more about the situation in that part of Iraq? Can he tell the House about the support for a United Nations tribunal to try Saddam Hussein for crimes against humanity, which he is reported to have announced on Monday? What action does he propose to take to implement that proposal? What time scale is involved? What support has there been from other quarters?

The world continues to face a threat to peace and humanity from the regime of Saddam Hussein. It is a measure of his success in the cat-and-mouse game at which he is so adept that Iraq is not the first item on our news headlines this morning, but its absence from those headlines should not lull either Saddam Hussein or anyone else into a false sense of security. I look forward to a robust and meaningful response from the Minister.

12.16 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Derek Fatchett): I have been charged with an almost impossible task—answering an enormous number of questions—and I shall do my best to satisfy the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) and all hon. Members who have spoken in the debate.

In introducing the debate, my hon. Friend the Member for Glasgow, Kelvin (Mr. Galloway) argued that it was time to consider a new policy, although my hon. Friend the Member for Workington (Mr. Campbell-Savours) intervened to make a valid point. It is worth while reminding ourselves of the chronology of events that have led to this most recent crisis.

My hon. Friend the Member for Kelvin said that the Iraqis deserve an element of light at the end of the tunnel. That is diplomatic language that we have heard on many occasions. My hon. Friend did not mention that the chronology is crucial: the Security Council agreed unanimously that we should seek a comprehensive review of the sanctions system. That announcement was made by the Security Council on a Friday in October; it was unanimous—there were no difficulties and no differences. My hon. Friend's new policy? It was announced.

What happened? In less than 24 hours, Baghdad had announced its refusal to co-operate with that comprehensive review. My hon. Friend has to explain to the House, and to the public outside, how it is possible for him to argue for a new way and a new approach, and then to suggest that the international community has not offered such an approach when the fact is that it has. It offered a comprehensive review, but it was rejected solidly, wholly—and, in my view, totally incomprehensibly—by Baghdad. That is the position that was taken.

Although my hon. Friend did not refer to it, there has been a litany of broken promises from Saddam Hussein. My hon. Friend is a great democrat—a great believer in word and integrity. Let me say to him that his argument, and his emotions, could be construed by those less charitable than me as an argument in favour of the broken word and rewarding the broken word.

Let us not forget that Iraq has promised co-operation on a number of occasions. On each occasion, that word—the word of the Iraqi leadership, not to the United Kingdom or to the United States, but to the international community—has been broken. Let me take four examples: first, the ceasefire agreement at the end of the

[Mr. Derek Fatchett]

Gulf war. I had a wry smile on my face when my hon. Friend talked about Iraq voluntarily relinquishing Kuwait. At the end of that process—

Mr. Galloway: Will my right hon. Friend give way?

Mr. Fatchett: No, my hon. Friend spoke for 50 minutes.

Mr. Galloway: What my right hon. Friend has said is false.

Mr. Fatchett: My hon. Friend spoke for 50 minutes.

Mr. Galloway: I did not say that.

Mr. Fatchett: At the end of the Gulf war, the Iraqi regime signed up to United Nations resolutions and made certain commitments. Those commitments were broken.

My hon. Friend knows that Saddam Hussein has broken his word three times in the past 12 months. First, last November, the then Russian Foreign Minister Primakov intervened to say that, with the word and co-operation of Baghdad, we could look forward to UNSCOM delivering what was necessary and that there was light at the end of the tunnel. The Russians invested a great deal in that. The Foreign Ministers of the P5—the five permanent members of the Security Council—met in Switzerland and made a deal with Primakov, but Saddam Hussein broke it within months. Secondly, Kofi Annan, to whom my hon. Friend rightly paid tribute, went to Baghdad and struck a deal with Saddam. On 5 August this year, that deal was also broken. The last agreement, made only 10 days ago, has again been broken by Saddam Hussein.

We are dealing with a man who, time and again, has broken his word and continues to do so. The fact is that, had Saddam Hussein co-operated, sanctions could have been lifted many years ago. The international community does not want sanctions to continue, but Saddam Hussein has simply refused to co-operate over the years.

My hon. Friend asked what the work of UNSCOM is for and challenged its work. Let me remind the House of what UNSCOM has already revealed: more than 38,000 chemical weapons and munitions; 690 tonnes of chemical weapons agents; 3,000 tonnes of precursor chemicals; 48 Scud missiles; a biological weapons factory designed to produce up to 50,000 litres of anthrax, botulism toxin and other agents. That shows the extent of the threat of those weapons of mass destruction, meant for the people not just of Iraq but of the whole region.

My hon. Friend suggests that everything may now have been found. There is no guarantee of that. We know, however, that the Iraqis have a concealment committee, the purpose of which is to ensure that there is no compliance or co-operation. The right hon. and learned Member for Folkestone and Hythe quoted a recent report in *The Sunday Telegraph* on that matter. The Iraqis are not only reluctant to co-operate, but have deliberately attempted to conceal evidence from UNSCOM. We are dealing with a regime that has used weapons of mass destruction, and I have no doubt that it will use them again.

I share the acute apprehension of the right hon. and learned Member for Folkestone and Hythe about what has happened over the past few days. We have said that it is another bad sign of Iraqi non co-operation. Saddam Hussein knows the consequences of continuing that non-co-operation. The right hon. and learned Gentleman asked about the legal base for any military action that we take. We believe that we have that legal base. He also asked about the nature of compliance and co-operation. He is right to draw our attention to the fact that it is not just compliance with UNSCOM, however important that may be, but that there are other elements of co-operation and compliance. He is also right to say that the Kuwaiti prisoners of war form an important part of that.

As my hon. Friend said in his opening remarks, human rights in Iraq are another element. We have heard much evidence and many quotes this morning, but the recent report produced by the UN special rapporteur, Max van der Stoel, is the most recent authoritative report. It shows that the number of people assassinated this year for their political views has reached four figures. That is the nature of Iraq, and that is the blood that is running down the streets of Baghdad. If people want emotive language, let them have the truth, which is that the Iraqi regime has used its weapons against its own people and killed tens of thousands of them.

My hon. Friend says that he is a great believer in democracy, human rights and socialism. I believe him; I share those views. However, one of the lessons of the 20th century is that, when one is mealy-mouthed and looks for excuses for a dictatorship, that dictatorship will continue and will create havoc wherever it can. Supporting human rights means standing up for those who will be subjected to violence by that regime in the future. I have no hesitation in doing that. I also have a view on new policy and co-operation by Iraq: we must not allow Iraq to get away with a short period of co-operation now before we undertake a comprehensive review of the sanctions regime; we must see true faith and commitment, and a willingness on the part of Iraq to carry out the commitment that it has made.

My hon. Friend spoke a great deal about the humanitarian position. I remind the House what the international community, led by Britain under this Government and the previous Government, has done in relation to "oil for food", and the effects of that programme. Let me give the correct figures. More than $5.2 billion has been raised through the sale of oil to purchase humanitarian aid; $2.5 billion-worth of foodstuffs have arrived in Iraq; and $440 million-worth of medicines have been delivered to Iraq, leading to a marked improvement in the availability of medicines and the number of operations carried out. Those are the latest figures produced by the UN Secretary-General, which for some reason were not included in my hon. Friend's speech. I shall send them to him if he so requires.

Mr. Galloway: Will the Minister give way?

Mr. Fatchett: No. My hon. Friend spoke for a long time, which was unusual in an Adjournment debate.

The UN special rapporteur made a number of other comments about human rights, none of which appeared in my hon. Friend's speech—*[Interruption.]*

Mr. Deputy Speaker (Mr. Michael Lord): Order. The hon. Member for Glasgow, Kelvin (Mr. Galloway) keeps intervening from a sedentary position. He had a long time to put his case and he should now listen to the Minister's response.

Mr. Fatchett: The special rapporteur said that he holds Iraq primarily responsible for the precarious food and health situation in Iraq. His reasons are: Iraq's refusal to take advantage of the "oil for food" programme for five years, while failing to bring about an end to the sanctions regime; Iraq's prevarication in negotiations, causing the regular interruption of oil sales; and Iraq's discrimination against Iraqis living outside Baghdad, in terms of access to medical supplies. Let me add another reason: Iraq's discrimination against ordinary Iraqis who do not form part of the elite in the Iraqi regime.

Many other points have been raised about the Iraqi opposition. Given the short time available, I shall write to the right hon. and learned Member for Folkestone and Hythe and my hon. Friend the Member for Workington on the points that they raised.

Mr. Dalyell: Will my hon. Friend give way?

Mr. Fatchett: No.

I understand the humanitarian concerns of my hon. Friend the Member for Kelvin. We share those concerns. Our actions have been designed to deal with them. I must stress to my hon. Friend that he should never lose sight of an evil—the existing regime in Baghdad, which has inflicted massive suffering on its people and on people in the region. He must never find himself, in the context of a debate, defending that regime. That is against any ethical view of the world and international relations.

1999 Eclipse (Cornwall)

12.30 pm

Mr. Matthew Taylor (Truro and St. Austell): The Minister and I will at least agree on the fact that there will be a total eclipse of the sun in the late morning of 11 August 1999. In the United Kingdom, that will be seen across most of Cornwall and in parts of south-west Devon. It is the first place in the world that the effect will be seen, and will bring travellers from abroad. I am told that people follow eclipses wherever they occur around the globe. The rest of the UK will experience only a partial eclipse, so undoubtedly many people from other parts of the country will go to the south-west to see the total eclipse.

I admit that I do not know how many people will come to see the eclipse. The trouble is that no one knows, not even the Minister. However, we know that it is a once-in-a-lifetime experience. The last total eclipse in the United Kingdom was 71 years ago, and the next one will not be for 92 years. It is no surprise that vast numbers of people want to see it. The majority of the accommodation in Cornwall has a waiting list, and vacancies are immediately filled if people hear of the likely problems and cancel their booking. Private properties are being let on the internet for as much as £3,500 a week to people travelling from as far afield as Japan.

The last total eclipse visible from mainland United Kingdom was on 29 June 1927. I have a picture of it taken by my father's brother, because his family travelled to see it. At that time, 3 million people went to see the eclipse in the north of England, despite the fact that most of them did not have a car or other personal transport. It remains the biggest-ever recorded movement of people by train in one day. If even a third of that number come to Cornwall, we shall have a huge national event in an area that already suffers from bottlenecks.

Moreover, 11 August 1999 is a Wednesday, so local people will be travelling to work. It is mid-harvest, the middle of the tourist season and in the middle of the school and university summer holidays. Cornwall and Devon are pretty much full at that time of year, even without an eclipse.

A large influx of visitors is expected at the busiest time of the year. Some still believe that the problem is being exaggerated, and that interest in the event will not be that great. They may be right, although it is a gamble, but the media do not seem to agree, and they are professionals at judging public interest. The BBC estimates that 6,000 members of the media will be in Cornwall. Sky News will deploy 80 per cent. of its satellite relay stations, and expects to reach 70 million people in broadcasts to 40 countries around the world.

Judging by international experience of other eclipses, the county expects 100,000 astronomers and specialist eclipse chasers to arrive. Interest will be further generated by the study of the eclipse as the central focus of the 1998-99 national core curriculum for science for every school in the country, with many schools already booking visits to the county.

Mr. Anthony Steen (Totnes): I did not know that we had a Minister for the eclipse, but I think that I can assist the hon. Gentleman. As the southern part of my constituency in the South Hams—the tip around

[Mr. Anthony Steen]

Salcombe, where I fortunately live—will have the same advantages for watching the eclipse as Cornwall, the public could view it from Devon, thereby reducing the number of people going to Cornwall, and the problems to which the hon. Gentleman refers. People can come to my constituency to see the eclipse as well as go to Cornwall.

Mr. Taylor: I shall make reference to south-west Devon, because it faces the same problems, which are not unique to Cornwall, although we shall bear the brunt of them. West Cornwall will have the first and the longest eclipse, and will have the most problems—bookings certainly suggest that.

How many people will come, and can we cope? Some 500,000 people live in the county. The number of people expected during the eclipse period will far outreach the capacity of the county's infrastructure, which is able to cope with about 900,000 without special measures. That is only 150,000 more than the usual August holiday population, so anything in excess of 150,000 visitors for the eclipse will cause problems. However, we expect far more than that.

It is estimated that 1.2 million visitors can get into the county by road, provided that they spread out their travel over a realistic period rather than arrive immediately before and leave immediately after the eclipse. Travel about 10 days before and 10 days after the eclipse would be realistic. That would bring the population up to about 1.7 million, rather than the 900,000 that the existing infrastructure could cope with.

It is almost impossible to estimate how many people will arrive by train, on cruise liners—many people have already booked berths—by yacht and by air on the many special flights into Newquay that are being arranged. That is likely to bring a further 100,000 visitors.

By that stage, main roads will be jammed, as already happens on summer weekends in many parts of the county when hundreds of thousands travel to temporary camp sites. Sewerage and mains water provision for those sites is a serious problem.

Many estimates far exceed those figures. The general prediction is in excess of 2 million visitors, and some estimates have been as high as 4 million. When we met the chief constable, he said, "That can't be allowed. We can't take more than 2 million." I asked him how we can prevent them coming, once they are in their cars and on their way, let alone stuck in a traffic jam, but there is no obvious answer.

The Cornish riviera brochure gives us a feel of the problem. It is important to understand that this event is not being promoted by the tourist industry in Cornwall. Official brochures deliberately downplay the event, because of the concern about the number of visitors. The brochure provides

"essential reading for intending visitors to Cornwall, before, during and after the 1999 eclipse of the sun"

by giving "Dos" and "Don'ts". It says:

"Do allow plenty of time for your journey and travel early.

Do bring essential toiletries, water, or drinks and packaged food.

Do expect delays and traffic disruption, please be patient.

Do keep abreast of radio traffic information for local updates.

Use Park and Ride facilities wherever possible.

Don't set off without a firm confirmation of accommodation.

Don't travel on the day of eclipse.

Don't observe the eclipse without following the recommended safety precautions."

Mr. Adrian Sanders (Torbay): The danger to the naked eye is an important point to mention. I am particularly concerned about children and visitors who may not be aware of the information available in the build-up to this event. Could the Government provide public information to ensure that people protect their eyes in the hour before the eclipse?

Mr. Taylor: The Government have an extremely important role that goes way beyond anything that we can do in the two counties.

I want to concentrate on the capacity in the area because, if it is exceeded, the worst case scenario would be a disaster involving huge road gridlocks, supply failure problems for food, money and petrol, mains water supply failures with taps running dry and emergency services unable to reach casualties or incidents.

The Minister may think that this is primarily a local issue. It will happen locally, but if an unexpected natural event caused such problems, huge support would be available. Because it is predictable, so far no support is available.

There are two key problems, the first of which involves sewerage and water. South West Water's best estimate is that it can purify and distribute water at a rate that would sustain a population of between 900,000 and 1 million, which is half the estimate of the number of visitors. South West Water has said that the take-up of spare bedrooms in domestic residences by friends, family and unofficial bed and breakfast guests will use all the available capacity of sewage treatment plants. That does not take account of any of the planned temporary camp sites, one of which will take 200,000—a population the size of Plymouth.

All camp site portaloo waste will have to be disposed of by other means, and not during the eclipse, because of traffic congestion and other difficulties. That is likely to be difficult, and will cause concern about noise, odour and pollution. We do not know whether it will be possible to supply pure water at reasonable pressure to those sites. South West Water is currently working on that. It is essential to draw Ministers' attention to the funding difficulties, and to the severe risk to public health from water and sewage problems.

Secondly, the emergency services will be affected. In a monthly newsletter to Cornwall's 312 general practitioners, the local medical committee recently announced:

"Eclipse Health Tip of the Month—Don't get pregnant in November".

The committee believes that, nine months from now, jams caused by the eclipse could make it impossible for expectant mums to get to hospital in time.

That sounds quite funny, but the problem will not affect just expectant mums—although in that regard it is actually fairly serious. Any casualty may find it difficult to get to a hospital. Health services have already expressed concern about how they will cope when so many people flood into the county. Normal clinics may have to be suspended, and doctors and district nurses may have to be positioned around the county in order to deal with casualties, rather

than assuming that ambulances will be able to take casualties to hospitals. The ambulance service has told me that it is budgeting for at least one extra air ambulance, as well as motor-cycle medics and extra ambulances. It believes that it may have to call on the Royal Air Force to give helicopter assistance, and that it may also need the Royal Naval Auxiliary Service.

The key problem is a combination of severe congestion and the fact that the county is surrounded on three sides by water. For the most part, there are no neighbouring services to help out if ours are overstretched. There is only one main general hospital in Cornwall, along with Derriford hospital, which serves east Cornwall and the Plymouth area. Although much excellent work is already being put into planning, there is only so much that local services can afford—and that, of course, will have a knock-on effect on the provision of services during the rest of the year. Moreover, there is only so much that local services can do at any price, because of the practical difficulties.

The combination of hot weather, camping, overheated vehicles and open-air festivals is bound to cause a problem. A large number of festivals are being organised, although the best advice would be not to organise them. The difficulty is deciding what to do with all those people for all that time, as the eclipse will last for only about 20 minutes. It will be a problem either way. I understand, however, that some major bands want to give concerts on the day, and that will bring into the county people who would not have gone there to see the eclipse.

The usual summer increase in crime will be amplified. That increase inevitably happens when extra people are present, but in this case the police will be further stretched by the need for traffic control, and by the many large events taking place. The police and other emergency services have already cancelled all leave, and will be fully manned from 30 July until 22 August, at considerable cost. I pity them: having had no holiday in the summer, they will then be allowed no holiday in the new year because of the millennium celebrations.

The Devon and Cornwall constabulary has made an initial request to the Ministry of Defence for assistance for all three services with traffic control, recovery, the provision of helicopters for route monitoring and medical facilities during the two main weeks. Measures exist allowing the Government to declare a need for military aid to the civil community, and to agree to finance it from the contingency fund. Such aid may be needed to assist the south-west's emergency services. Support already being considered goes as far as the use of a field ambulance regiment for field hospitals, the secondment of additional doctors and dentists to help with primary care, the provision of helicopters for the movement of emergency supplies and for traffic monitoring, and the employment of the Royal Engineers to help with roads, tracking on camp sites if the weather is wet, and water supply. Someone said to me, "If it is wet, there will be no problem." On the contrary, if it is wet there may be 2 million people in the area with nothing to look at, experiencing appalling conditions. They will be on temporary camp sites, with no proper sewerage and water.

When I asked the fire service how it would cope, a senior officer admitted that, if road congestion is anything like as severe as it is expected to be, the service does not know how it would transport firefighters to emergencies, especially if they are on the main roads.

I have already raised the costs of the eclipse with the Prime Minister. They will have to be borne by ratepayers, the health service and the police, and they will be considerable. The estimate provided by Cornwall county council following consultation with all the emergency services, and with local government, is about £5 million. That amount has been committed, but the need is greater, and many local authorities do not think that they will be able to meet that need. The police have asked the Home Office for additional support, but have received no positive response. Work is under way to produce a more co-ordinated effort. I think that there will be results early in the new year, and I hope that whichever Minister is responsible will agree to a meeting.

Without extra help, our ambulance, police and other services will struggle to cope. Central Government will benefit from extra revenue generated by the eclipse, and businesses in the counties will certainly benefit, but emergency and other public services will bear a cost with no extra return.

When I raised the matter with the Prime Minister, he said that funding mechanisms allowed for it. I think that, after a little more research, the Minister will agree that there is no eclipse fund as such, and that the source of any extra funding is not obvious.

I stress that we need not just financial but practical support. I do not expect the Minister to promise huge sums today—I have participated in too many Adjournment debates to expect that—but I hope that the debate will help to focus Ministers' attention on a problem that has not received the national attention it deserves, perhaps because an even bigger event, the millennium, will take place later in the same year. The Jubilee line extension may or may not be ready for the dome, but it is certain that no new roads will be built to cater for the eclipse in Cornwall.

I am very pleased about the vast amount of preparation being undertaken by local councils, co-ordinating groups, emergency services and the Cornish eclipse county planning co-ordinator, but I fear that it is not enough. The Government should recognise that this is a national event, which will need national support. The problem is exacerbated by an accident of geography, and by sheer uncertainty about the number of people who may arrive. That makes planning next to impossible.

As recently as last night, the Government were not sure who would respond to the debate. The issue, after all, is covered by the Department of Health, the Ministry of Defence, the Home Office and, of course, the Department of the Environment, Transport and the Regions. I welcome this Minister, and suggest that it would be practical to give our county co-ordinating committee a point of contact, in helping to co-ordinate the Government's response.

I do not know whether the Minister fancies the job, but what we need is a Minister for the eclipse.

12.47 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Nick Raynsford): I thank the hon. Member for Truro and St. Austell (Mr. Taylor) for giving us an opportunity to discuss an issue that has already been a subject of considerable debate, and of careful planning in Devon and Cornwall. I appreciate all the concerns that he raised.

[Mr. Nick Raynsford]

I thank him for his offer of a new job, but, for reasons that I shall explain, I must decline it. I already have a number of responsibilities, and I believe that the mechanisms that will be provided will enable Devon and Cornwall to respond to the challenge.

As the hon. Gentleman said, this will be the first total eclipse visible from the UK mainland since June 1927, and it will be of interest to many people. It has obvious implications for the police, local authorities and other emergency planning services. I recognise that, and will describe the steps that will be taken. I also recognise the health issues, and will speak to my right hon. Friend the Secretary of State for Health about advising the public of the risks involved in viewing the eclipse with the naked eye.

The Devon and Cornwall constabulary will, of course, play a major role in managing the influx of extra visitors. I understand that, in recent months, the chief constable has raised with the Home Office the issue of the additional expenditure arising from the major public order operation that the police will need to undertake because of the large number of visitors who are expected to travel to Cornwall.

My right hon. Friend the Home Secretary, who is responsible for emergency planning in England and Wales, expects local authority emergency planners to deal with issues arising from major incidents or emergencies according to the principles of integrated emergency management. That is an all-hazards approach to emergency planning, which encourages local emergency planners to plan with all the agencies that are likely to be involved in a major incident response. The chief characteristics of plans developed according to the principles of integrated emergency management are that they should be non-specific and flexible, and that they should work well regardless of an incident's cause. They are therefore ideal to handle an event such as the eclipse.

It is fundamental to arrangements for dealing with an emergency that the first response should be at local level. If the scale of an incident overwhelms local resources, the first recourse is usually to mutual-aid arrangements with services in adjacent areas, and the second to military aid. The eclipse is not an unforeseen emergency, as the hon. Member for Truro and St. Austell recognised; it is not a sudden danger requiring immediate action. An eclipse is an event for which there has been sufficient time for local services to plan and, accordingly, to seek assistance under mutual-aid arrangements if that is required.

From time to time, all police forces must deal with major public events, some of which are regular and some unexpected. The role of the police in controlling any outbreaks of disorder is to preserve the peace, uphold the law and prevent the commission of offences. Police tactics and decisions on how to achieve those objectives are a matter for the independent operational judgment of chief police officers. My right hon. Friend the Home Secretary expects that additional costs arising from unique occasions should usually be met from the force's budget and by using its reserves. In certain exceptional circumstances, my right hon. Friend would consider an application for a special grant, although such grants are rarely given, as the criteria are tough. The additional expenditure incurred by the force must be exceptional and of a scale likely to threaten its efficiency.

I understand that Devon and Cornwall constabulary has estimated that the additional cost of policing the eclipse next year will be about £600,000. That is less than half of 1 per cent. of the force's current budget. On the basis of information so far provided by the Devon and Cornwall police authority, it is doubtful whether it will be able to meet the criteria for a special grant that have previously been applied. I understand that the Association of Chief Police Officers, which has had a working party looking into the issue, is of the opinion that forces should not ordinarily be given special assistance and that Government funding should be allocated through the police funding formula.

As the hon. Member for Truro and St. Austell knows, police funding is allocated by means of a needs-based formula. Devon and Cornwall constabulary has done quite well under it. Over the past two years, the force has been able to increase its budget by more than the national average—by 4 per cent. in 1997–98 and by 4.5 per cent. in 1998–99. In those years, the average increase for police authorities in England and Wales was just 3.7 per cent. In the current financial year, Devon and Cornwall police authority has a budget of £167.4 million, which is a £7.2 million increase over the previous year.

In 1997–98, Devon and Cornwall constabulary was able to increase the number of police officers by 98 to 2,962. That contrasts with an overall reduction in police numbers in England and Wales of 302. At the same time, recorded crime in the Devon and Cornwall police area fell by 8.4 per cent., compared with an average reduction in England and Wales of 7.8 per cent.

My right hon. Friend the Home Secretary announced on 21 July that, over the next three years, police funding would increase by £1.24 billion. Overall police funding will increase by 2.65 per cent. next year, a further 2.8 per cent. in the following year and an extra 4 per cent. in 2001-2. Provisional police funding settlements for each police authority for 1999–2000 will be announced, as the hon. Member for Truro and St. Austell knows, in the reasonably near future, at the same time as the local government settlement.

Mr. Steen: Is it the view of the Minister and the police that there will not be an invasion of tourists to watch this sight?

Mr. Raynsford: I ask the hon. Gentleman to bear with me. The hon. Member for Truro and St. Austell rightly made the point that no one knows for sure how many people will visit. One cannot anticipate for such an event. The point that I am trying to get across is that the potential scale of additional pressures can largely be foreseen, and measures can be implemented to ensure that this opportunity—it is an opportunity, as the hon. Member for Totnes (Mr. Steen) and others have emphasised—can be taken without unreasonable and disastrous consequences. The hon. Member for Truro and St. Austell has raised serious issues, which need to be addressed.

I have covered the subject of police funding, and shall move on to the other services for which the eclipse will have implications, as the hon. Member for Truro and St. Austell rightly emphasised. Emergency planning in the water industry is one of the other main areas affected. In June, under the provisions of section 208 of the Water Industry Act 1991, the Department issued the Security and

Emergency Measures (Water and Sewerage Undertakers) Direction 1998. It requires all water and sewerage companies in England, including South West Water, to make contingency plans, based on the integrated emergency planning concept, to cater for all types of emergency, irrespective of the cause.

The direction specifies the main resources and facilities that water companies should provide in an emergency and the need to consult and co-operate with all relevant bodies. It states that priority should be given to the domestic needs of sick, elderly and disabled people, hospitals, schools and other vulnerable sectors of the community. It also states that regard should be given to the needs of non-domestic users and, in accompanying guidance, examples of livestock and essential food industries are given.

One of the most significant things in the new direction, which was not in the preceding 1989 direction, is that it provides for the Secretary of State to specify the amount of water that an undertaker should provide in an emergency. Companies have been notified that that is 10 litres of drinking water a head per day. New plans to comply with the direction must be submitted to the Secretary of State by 1 April—well before the eclipse—having first been subjected to independent audit.

It is important that all areas that are likely to be affected by the extra work created by the eclipse should keep in close contact. I know that, over the past 12 months, there has been a series of inter-agency meetings involving all those with an interest. An emergency planning co-ordination group has been taking a strategic overview of the problem and, at operational level, the plan review working party has been considering the issues. Such cross-service work is vital in identifying potential problems and producing appropriate solutions.

On resources, I know that there have been calls for the Government to use available measures—under what is known as the Bellwin scheme—to help local authorities cope financially with emergencies. The scheme is designed to prevent an undue financial burden falling on council tax payers of an authority that is affected by an emergency or disaster that threatens life or property. An incident for which assistance is sought must involve clearly exceptional conditions by local standards, and damage to local authority infrastructure for communities must be exceptional, too. In the past, the scheme has generally been activated following events such as freak storms or floods—most recently, severe flooding across the midlands over Easter.

On the face of it, expenditure that authorities might incur as a result of the eclipse seems likely to be outside the scheme's criteria. However, we would of course consider any case that an authority might make for the activation of the scheme. If some of the worst prognoses of the hon. Member for Truro and St. Austell turned out—unfortunately—to be true and there were very serious problems, the authority would unquestionably be in a position to seek assistance under the Bellwin scheme. I hope that that will not be so. I hope that, with sufficient forward planning, the risk can be minimised. However, I would not rule out altogether the need for such assistance in the event of a serious breakdown of normal administrative arrangements.

As I have stressed, careful planning will be absolutely vital to make the most appropriate arrangements and, indeed, to make the most of the opportunity that is presented by this unusual event. Many more people in Devon and Cornwall will benefit through offering bed-and-breakfast facilities to visitors. Farmers and other landowners stand to gain considerably by offering campsites to cater for the expected 500,000 additional campers who cannot be accommodated on existing sites. I understand that special provisions allow sites on which camping would not normally be permitted to be brought into use for a limited period. That clearly provides an opportunity to cope with the numbers of people, and should raise income for farmers who have made available sites for such use.

I have seen estimates that bed-and-breakfast charges and campsite fees for extra visitors could bring in more than £150 million to the area. The take-up in the unused capacity for hotels and other accommodation will also generate significant income. Given last summer's disappointing weather, I know that several hotel and tourist interests in the west country have been looking for ways in which to increase their revenue. I hope that the eclipse will provide such an opportunity. Obviously, there is an opportunity to encourage people to make a proper holiday of visiting Cornwall, rather than just going for the day. That will benefit the local economy.

The situation is therefore by no means all doom and gloom. Indeed, there is no doubt that people in other areas in Britain wish that the eclipse could be viewed from their location. I noted the naked appeal of the hon. Member for Totnes for people to go to his constituency rather than Cornwall to view the eclipse. The eclipse will present the local tourism industry with a great opportunity to promote itself in both pleasure and business to the vast number of visitors whom the major event will attract. Many visitors will be visiting the area for the first time and may be encouraged to go back, which would be in the long-term interest of the west country's economy. I am certain that local businesses, local people, local authorities and others who have a wealth of experiences in tourism will ensure that best use is made of this wonderful opportunity for Devon and Cornwall.

South Downs

1 pm

Dr. Desmond Turner (Brighton, Kemptown): I am sure that all hon. Members are familiar with the south downs, having passed through the area on their way to Brighton for a party conference if at no other time. The downs comprise a fairly unique and sensitive area. They cover a large area, stretching from Winchester to Eastbourne, and are bordered by fairly dense population centres. The area is very dear to the public throughout virtually all south England.

In 1949—when the National Parks and Access to the Countryside Act was passed—the south downs were one of 12 areas considered for designation as a national park. As it was thought that the downs had been too damaged by "digging for victory" in the war, it was decided that they should not be so designated. None the less, it was decided that the downs should be designated as an area of outstanding natural beauty. Even in 1949, the downs clearly met the basic criteria for national park status. I submit that, today, the downs even more fully meet the criteria.

National parks must meet four important criteria, the first of which is that they should comprise extensive tracts of open countryside. The downs cover a total area of 1,375 sq km, which, in anyone's book, is quite a large area. The south downs are larger than four existing national parks. There is no question about the natural beauty of the downs. No one disputes their designation as an area of outstanding natural beauty.

Do the downs offer opportunities for open-air recreation? Every year, 32.5 million people resort to the south downs, demonstrating their enormous leisure use. Moreover, leisure use is greater in the downs than in any existing national park. The downs certainly score on that criterion.

What about the proximity of the south downs to population centres? They are close to Southampton, Portsmouth, Winchester, Brighton and Hove, and Eastbourne. That does not even include--

Mr. Tim Loughton (East Worthing and Shoreham): And Worthing.

Dr. Turner: I apologise to the hon. Gentleman for forgetting his wonderful constituency.

Undoubtedly there are large populations right next to the south downs. Moreover, it is only a short way up the road to the vast population centre of London. The south downs probably have more people living within very easy reach than any existing national park.

The south downs clearly meet the criteria for national park status. Comments by the Countryside Commission and others to the effect that the downs are not an upland area, and hence do not meet recent interpretations of the criteria, are poppycock. Quite simply, the criteria were established in 1949, since when no national park has been created. There has therefore been no reinterpretation of the criteria since 1949: the reinterpretation argument is nonsense.

The south downs can match existing national parks also in their areas of unspoilt pasture and woodland, which—as a percentage of total area—exceed the comparable areas of at least four national parks. There can be no question but that the downs qualify as a national park.

All parties to the argument are agreed that something must be done to give greater protection to the downs.

Mr. Andrew Tyrie (Chichester) *rose—*

Sir Geoffrey Johnson Smith (Wealden) *rose—*

Dr. Turner: I have a choice. I shall take the intervention of the right hon. Member for Wealden (Sir G. Johnson Smith).

Sir Geoffrey Johnson Smith: Is the hon. Gentleman aware that the Countryside Commission has strongly recommended that the south downs should not be designated as a national park? Would he care to comment on the fact that we are all agreed that the downs should have the highest protection, and that the commission's recommendation possibly has something to do with arguments to which he has not yet done justice?

Dr. Turner: I thank the right hon. Gentleman for that intervention. I was about to deal with that very point.

Mr. Tyrie: Will the hon. Gentleman give way on the same point?

Dr. Turner: If the hon. Gentleman will be patient, I shall deal with one intervention at a time. My time is very short.

As I said, everyone agrees that current protection for the downs is inadequate. Several quite serious recent events have demonstrated the impotence of current protection. The only argument is whether the south downs should have national park status or be treated, under the Countryside Commission's recommendations, as an enhanced area of outstanding natural beauty. I should like quickly to examine what is offered by the options, to determine how well they might meet the objectives that must be met to protect the downs.

Conservation is a primary objective. Reconciling conservation with the demands of leisure use also must be a primary objective. If we opt for enhanced AONB status, we will address only conservation issues and not leisure use issues. That is a very important defect in the Countryside Commission's proposals. Conversely, a national park is established with the precise powers to address both sets of issues.

National parks are already covered by strong planning legislation, which would provide the minimum powers needed to protect the south downs. The only power provided by enhanced AONB status would be guaranteed, statutory consultation. That is not sufficient. I have been there—having served on county council planning committees—and have been through paragraph 5 consultations. I know that, sometimes, a district planning authority has already decided on a matter before it is referred to a council for consultation. Such a power is too weak to be of any real use.

The option of legislation should be very carefully considered. We have two choices on legislation. If we protect the downs under the 1949 Act, we will require no further legislation, because all the necessary powers already exist. The Secretary of State would only have to make an appropriate order. Subsequently, there would have to be a public inquiry to determine the boundaries of the area, which would be designated as a park within about 18 months.

If the downs were designated as an enhanced AONB, a Bill would have to be introduced, as there are insufficient legislative powers to make such a designation.

Dr. Alan Whitehead (Southampton, Test): Is my hon. Friend aware of a very good publication, from the Council for National Parks, entitled "Meeting the Challenge"? Although the publication deals specifically with the New forest, it makes some very useful general points on protecting national parks, particularly ensuring that decisions are taken independently of local vested interests.

Dr. Turner: I thank my hon. Friend for that intervention. Yes, I am aware of the publication. I am aware also that a debate similar to that on the south downs is occurring on the New forest. The forces ranged on either side of both debates are fairly comparable. I have great sympathy with the claims of the New forest, which I know well from my childhood. I think that my hon. Friend and I would probably agree on the issues.

As I said, if the south downs are to be made an enhanced AONB, a Bill will be required. I do not have to remind hon. Members of current pressures on parliamentary time. At the current rate of progress, there is no real chance of the House passing any such measure in the next five years or so—if by then. Moreover, all we will have achieved in so doing is a measure of protection for the south downs that is inferior to that which is available immediately, by giving them national park status under current legislation.

Mr. Tyrie: We all want to do our best for the south downs, which is such a beautiful area. However, is the hon. Gentleman aware that the overwhelming majority of local people have made it clear that they would prefer to continue with the existing arrangements and not have a national park? There are 14 local authorities, only one of which—the hon. Gentleman's—has said that it wants to go ahead with national park status. As far as I am aware, the other 13 have made clear their opposition to it.

I came fresh to the subject, having moved into the area. I listened carefully to what people had to say before reaching my view that the overwhelming majority of local people want the existing arrangements, broadly speaking, to continue.

Dr. Turner: I thank the hon. Gentleman for his intervention as I was about to deal precisely with his point. In fact, the overwhelming majority of those who have been consulted are in favour of a national park.

Mr. Tyrie: Not the local authorities.

Dr. Turner: Of the 14 authorities consulted, 13 simply took a decision in committee—they did not consult a single member of their electorates. However, Brighton and Hove consulted people living in Brighton and Hove, and the response was overwhelmingly in favour of national park status.

Mr. Loughton: How many?

Dr. Turner: Hundreds. A national opinion poll conducted by the Ramblers Association showed that in the Meridian television area some 84 per cent. of the public were in favour of national park status. Nationally, of all those aware of the debate, 83 per cent. were in favour. Those who thought that the area should not be given national park status were 7 per cent. and 9 per cent. respectively.

Mr. David Lepper (Brighton, Pavilion): Does my hon. Friend share my view that the recommendations from the Countryside Commission are flawed on three counts—first, the inadequate nature of the consultation process; secondly, the commission's failure to report accurately the response to that consultation process; and thirdly, the sheer lack of understanding of the criteria for national park status and the legal framework, as revealed in the report and recommendations?

Dr. Turner: I concur with my hon. Friend on all those points.

Time is running out, so I must try to conclude. We must ask, and the Countryside Commission must answer, one important question. As there is already legislation on the statute book to give the best possible protection and management of the south downs—which will give the body a status that will enable it to get funds from the European Union and other sources—why does the Countryside Commission recommend something that will require further legislation, will be exceedingly difficult to deliver and will provide a second-class alternative to national park status?

What I am about to say may also apply to the New forest. What is going on? Are we dealing with entrenched local interests—dare I say landlords? Is it a confrontation which, in a way, mirrors the confrontation between our two Houses? I suspect that there is slightly more to the Countryside Commission's arguments than meets the eye.

Mr. Loughton: On the point about consultation, I am not impressed by the fact that only several hundred people responded out of a 500,000 population in West Sussex, and the same applies to East Sussex. The Sussex Downs conservation board includes representatives from 11 district councils, two county councils and the unitary authority. It has had an accountable and democratic part to play in planning.

The hon. Gentleman is suggesting taking powers from local authorities that are answerable to their electorates. Is he really saying that the views of the councils that did not consult do not matter?

Dr. Turner: I am not saying that the views of those councils do not matter, but surely the hon. Gentleman cannot criticise consulting the public and claim that consulting a committee provides the same democratic accountability. Clearly it does not. There were thousands of responses from the public, strongly—overwhelmingly—in favour of national park status.

[Dr. Turner]

It is not necessary to take all planning powers away from district councils—that does not have to happen. It has been suggested that a strategic plan should be drawn up for a national park, to which all planning authorities should be party, and that the implementation of the plan should be delegated back to the local authorities; but that implementation must be consistent with the national park strategic plan that has been developed. So with respect, neither of the hon. Gentleman's points holds water.

The logic of national park status for the south downs is irrefutable. It is the obvious solution and it requires no new legislation. The alternatives not only require new legislation, but will ultimately provide an inferior measure of protection. The overwhelming interest that should be considered is the public concern to protect and manage the future of the south downs.

1.17 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Alan Meale): My hon. Friend the Member for Brighton, Kemptown (Dr. Turner) has been a tireless campaigner for national park status for the south downs. I congratulate him on securing this debate, and I am glad to have the opportunity to reply.

The Government are still looking very carefully at the options for the future sympathetic management of the south downs. I am sorry to disappoint my hon. Friend by not being able to tell him and the House today of any final decision. However, we do hope to be in a position to say something very soon.

Ministers are thoroughly convinced of the merits of the south downs as an outstanding landscape of national significance. It is one which receives an enormous number of visitors annually and which is, to many people, quintessentially English. I am glad to have this opportunity to remind my hon. Friend and others of my recent visit to the south downs. Thankfully, it was on a beautiful day at the end of September. As the guest of the Sussex Downs conservation board, I was shown some of the most famous and popular sites for visitors, including Devil's dyke and Ditchling beacon. Indeed, from Ditchling beacon I discovered how it is possible to get a real feel of the rolling "whale backed Downs" and the mosaic of landscape laid out at their feet.

What was striking about the downs was how remote a feel there is in countryside that is in such proximity to coastal towns and communities. It is incredible to find oneself in such a wilderness only a short distance from coastal resorts. I have had a number of requests from hon. Members on both sides of the Chamber to come and see more of the downs, and I intend to take up those invitations. Arrangements are in hand to do so.

I have had a number of meetings with those, from both sides of the national park debate, who are deeply concerned about the future of the downs.

When I visited the downs I had the benefit of having as local guides my hon. Friends the Members for Brighton, Pavilion (Mr. Lepper) and for Kemptown, as well as leading officials from the Sussex Downs conservation board. I also had a meeting in Brighton with representatives of the South Downs campaign group, which is the grouping of national and local organisations campaigning for a national park. I have since met again some of the interested parties at the Department in London and with several other people, including the hon. Member for Eastbourne (Mr. Waterson). My right hon. Friend the Minister for the Environment has also discussed the issue with many of those who have a particular interest.

I assure hon. Members that I understand how important the downs are as a recreational resource for their constituents and for many other people living in East and West Sussex, Hampshire and further afield, including the many who enjoy visiting from the London area. I have many times heard quoted the figure of 32.5 million visitors to the downs each year, which is more than twice the number visiting the Lake district. Whatever the accuracy of that figure, what is important is that we can be sure that the south downs, like a number of other areas of national beauty, are not only visited by an enormous number of people who come for all sorts of good recreational reasons, but enjoyed on a regular basis by those lucky enough to live nearby.

What most struck me, as a visitor to the area, is that so many people feel so strongly about the south downs. Whether they declare themselves as for or against a national park, they usually want the same things. Both those who are for and those who are against a national park want a level of protection against major new development that respects the importance of the downs as a nationally recognised landscape and a resource for recreation and for biodiversity. They all want a body that is able to work with others to achieve objectives in a recognised strategic planning framework; one that has an assured future and an appropriate level of funding; and one that is able to manage the downs sympathetically and look after the interests of both local people and the downs' many visitors.

I assure the House that the Government want those things too, and that we are going to deliver them. We want to make sure that we get the precise choice of mechanism right, because the solution must be a long-term one. That is why I am not yet in a position to tell the House which of the options the Government will finally back.

Anyone with an interest in this debate will know that earlier this year the Countryside Commission, as the Government's statutory adviser, advised against a national park in the south downs and in favour of establishing a new statutory conservation board. That recommendation reflected the commission's assessment of the suitability of the south downs for national park status, which it has maintained since the 1950s. It does not constitute a judgment on the quality of the landscape in the south downs, because the legislation does not recognise a difference between the quality of landscapes in national parks and those in areas of outstanding natural beauty, which is the designation that already applies to the south downs.

The recommendation reflects the way in which the Countryside Commission has applied the criteria in the National Parks and Access to the Countryside Act 1949. However, I can assure my hon. Friend the Member for Kemptown that, if we conclude that it is right to do so, we shall ask the commission to look again at the way it operates those criteria.

I have heard criticism from some groups of the way in which the Countryside Commission carried out its consultation process about the south downs in late 1997 and early 1998. I have no wish to enter into the debate on that issue now; suffice it to say that the Government have listened to all the views expressed. My Department has received hundreds of letters since the Commission's advice was received. Brighton and Hove council should be congratulated on the consultation that it carried out locally, and I am grateful to my hon. Friend for raising that issue. It is legitimate for him to say that, at least in his area, people can feel confident that the consultation was broad and varied.

The Countryside Commission's advice to the Government on protected areas contains a number of strands. It is not only about the south downs, important though they are, but about the way forward in the New forest, which we shall have an opportunity to debate tomorrow. It also contains a considerable number of wider recommendations about the protection, funding and management of areas of outstanding natural beauty. Hon. Members will understand that there is a lot of interplay between these questions, and that together they are of some complexity. Those considerations have meant that it has taken some time to move toward our conclusions. To put it simply, we want to get the answers right.

Mr. Loughton: Will the Minister address the point raised by the hon. Member for Brighton, Kemptown (Dr. Turner) about the legislative process? Will he tell us whether the Government would grant time before five years were up to push through legislation, if the existing status were enhanced instead of the national park alternative being chosen?

Mr. Meale: We shall give due consideration to the whole process and to the results of the consultations that have been carried out. As I said, we want to take a decision and make an announcement, but we have to get it right.

The Countryside Commission has recommended that the south downs should be the first area to benefit from a statutory AONB conservation board. It believes that that would build upon the success already achieved by the Sussex Downs conservation board, which was set up jointly by the local authorities on the Sussex downs and the Countryside Commission in 1992. Ministers have praised the performance of the Sussex Downs conservation board since it was set up and I echo that praise today. The establishment of the conservation board was purely a voluntary move toward working together by local authorities, assisted by the Countryside Commission. They deserve praise for the effort and the funding that have gone and continue to go into it.

However, what is being sought now is quite different—a permanent body with a statutory framework and guaranteed funding. We are still looking in detail at the commission's recommendations on statutory conservation boards, as primary legislation would be needed to provide for them. The Commission recommended that they should be funded as a partnership, with 50:50 local and national funding. Ministers have since had a considerable postbag from local authorities managing AONBs, suggesting that the AONBs should be funded like national parks.

The Government want to do significantly more for AONBs, but we have to determine how far and how fast we can go, and what the most effective mechanisms are. As a start, we have already provided an extra £2.5 million for the new countryside agency to spend in AONBs next year. That will more than double the budget that the Countryside Commission has so far had for AONBs.

For the purposes of today's debate, the key question is whether the south downs should have the first of a new series of statutory conservation boards, rather than become a national park. As I have said, we are not ready to announce any decision yet. If we bring forward proposals for primary legislation to provide for AONB conservation boards, we shall have to take into account how the opportunity of primary legislation can best be used to provide for the future needs of the protected areas generally, including providing the best solution for both the south downs and the New forest. There are many questions involved, including the interplay with the planning system, local democracy and the regional agenda; the precise powers and responsibilities of the authorities concerned; and the membership and funding arrangements.

I understand the urgency felt by hon. Members on both sides of the House about providing a long-term solution for the management of the south downs. The Sussex Downs conservation board currently has funding until March 2001, but we have said that we want to settle on a long-term solution well before the current funding arrangements expire. I assure the House that we will provide that solution as soon as we can.

I thank my hon. Friend the Member for Kemptown, and hon. Members on both sides of the House and of differing points of view, for giving us the opportunity to consider these points today. I shall ensure that my hon. Friend, along with other hon. Members present today—

Mr. Deputy Speaker (Mr. Michael Lord): Order.

CJD and Human Growth Hormone

1.30 pm

Mr. Mark Oaten (Winchester): I am grateful for the opportunity to highlight the plight of five families who have lost a family member from Creutzfeldt-Jakob disease as a result of human growth hormone treatment. Their position has been made worse by the fact that to date they have not been entitled to any compensation because a judicial ruling in 1996 stated that damages could be paid only to victims who started the treatment, or had the majority of it, after July 1977.

The issue concerns hon. Members on both sides of the House, particularly those who have witnessed the trauma experienced by the families involved. My constituents, Mavis and Tony Lay, lost their 22-year-old daughter Alison to that terrible disease in 1985. Alison was a clever, bubbly girl who was adored by many people. She was the first person in Britain to die from CJD. Her parents' anguish has been made worse by their continuing fight for compensation from the Department of Health.

Let me set out the necessary background details to the case. Between 1959 and 1985, nearly 2,000 children were given human growth hormone derived from donated glands. The Medical Research Council ran the programme as a clinical trial until 1977, when the Department of Health assumed full control.

Although the programme proved successful and was in great demand, not just in Britain but throughout the world, a number of concerns among leading scientists raised the likelihood of a link with CJD. During clinical trials, Dr. Alan Dickinson of the Agricultural Research Council, a veterinary scientist who was working on scrapie, alerted officials at the Medical Research Council to the risk of CJD being transmitted through human growth hormone. He consequently made four suggestions on how to improve the safety of the hormone. Two were never acted on, the third was only partially implemented and the fourth was not put into force until 1980—three years after the Department of Health started running the treatment. The Medical Research Council appointed two virologists as consultants, but that was not until the medical trials had been completed.

The programme also failed to fall within the regulatory framework of the Therapeutic Substances Act 1956 or the Medicines Act 1968, so the hormone escaped any regulation in terms of its safety or purity. It comes as no surprise, therefore, that one senior Government scientist recorded that the laboratories where the hormone was prepared were "wholly inadequate and inappropriate". They were consequently shut down just one year into the Department of Health programme, after failing inspection. The full growth hormone programme ended in 1985 following the death of my former constituent, Alison Lay, from CJD, and similar deaths in the United States.

When the families concerned took their case to trial, the High Court ruled in July 1996 that the Medical Research Council and the Department of Health were negligent in not acting on the scientists' concerns, which probably would have resulted in the suspension of the treatment from July 1977. The judge, Mr. Justice Morland, stated that, if consultants had been properly alerted, new patients would not have been started on the programme. However, he went on to say that those who were already receiving treatment would legitimately have been continued on the programme. The ruling meant that only families of patients who started treatment after July 1977 would be entitled to compensation. As a result, several families were not entitled to compensation and were devastated.

My constituent, Alison Lay, began her treatment in 1972 and her family have had to endure prolonged distress as a consequence of the ruling. Their trauma has been worsened by the refusal of Mr. Justice Morland to go beyond his original ruling.

This afternoon, I would like to put to the Minister a number of compelling reasons for reviewing the matter and compensating the five families.

The fundamental argument is simple. It points to a lack of consistency in the CJD litigation and the unfairness of the matter. It cannot be right that some people who died of CJD from contaminated growth hormone have been treated differently from the rest of the group. Although I understand and do not dispute Mr. Justice Morland's decision to institute a cut-off date, the fact that five families remain unentitled to compensation seems to be unjust and unfair.

It is also clear that, because only five cases are outstanding, there will not be any further claims of this precise nature and that, by changing their stance, the Government would not be opening the floodgates to many appeals.

Mrs. Teresa Gorman (Billericay): The hon. Gentleman is referring to human growth hormone, yet he is talking about CJD being linked to cattle and sheep. Is he talking about CJD in general or about people who had been given human growth hormone which is extracted from human pineal glands?

Mr. Oaten: I apologise if I have not made it clear that I am referring to CJD caused by the use of human growth hormones in treating other humans.

In view of the limited number of outstanding cases, the Government should be persuaded on compassionate grounds that some form of compensation should be awarded at limited cost to the Department of Health.

There is an additional issue that makes a compelling case for compensation to the five families. In June this year, six individuals won compensation of between £3,500 and £300,000 due to having suffered from psychiatric illness because of "rational fears" of contracting CJD. One wonders why the principle of extended compassion cannot be stretched just a little further to encompass the five cases that I have outlined.

Let me remind the Government of their stance on the issue in opposition, when they pressed strongly for compensation for CJD victims. For example, the then shadow Health Secretary, now the Secretary of State for Education and Employment, stated:

> "Ministers should establish an inquiry in the UK as a matter of urgency and examine ways in which a compensation scheme might be set up."

There is certainly no doubt about the Government's recent commitment to try to settle many outstanding compensation issues.

Perhaps the Government should follow the examples of Australia and France, where all CJD claimants have been compensated without having to establish liability. Is there not a similarity between the case of the haemophiliac

victims who became infected with HIV through contaminated factor 8 blood products? In that case, the Department established a no-fault compensation scheme. Is that not a practical example of how the remaining five CJD cases should be handled?

It may be that the Minister will take the same view as the former Under-Secretary of State for Health, the hon. Member for Orpington (Mr. Horam), who stated last year in an oral reply that no further compensation should be given over and above Mr. Justice Morland's ruling because

"it must be the first and overriding responsibility of the Department of Health to concentrate on preventing ill health and curing it when it occurs, not on compensating those who have contracted that terrible problem."—[*Official Report*, 18 February 1997; Vol. 290, c. 730.]

Although I do not dispute the main responsibility of the Department of Health, there is a moral case for compensating the five families. I ask the Minister to remember the human suffering and injustice that have taken place and to try to resolve the issue speedily by compensating the five families. The numbers are small, and the cost to the Department of Health is not significant. Is it not time to end their distress? As my constituent, Mavis Lay, stated:

"we have had enough torment over the last 14 years."

1.39 pm

The Minister for Public Health (Ms Tessa Jowell): I pay tribute to the hon. Member for Winchester (Mr. Oaten) for raising the issue and to Alison Lay's parents, who have been tireless campaigners since her death.

Let me recap the history of the tragedy. The human growth hormone treatment programme ran from 1959 to 1985 and just under 2,000 children were treated in the United Kingdom during that period. It is a real tragedy that, as a result of the programme, there have been 27 deaths in the United Kingdom from Creutzfeldt-Jakob disease, which, as we all now know, is a dreadful disease with awful consequences. The use of human growth hormone ended in 1985 when the link with CJD was established.

Children with growth deficiency may suffer permanent short stature, disability or even, in some cases, death. Most children are diagnosed as having a growth deficiency by a paediatrician in a specialist child growth clinic. The growth hormone that has been used since 1985 is manufactured genetically and is regarded as safe.

As we now know, CJD was transmitted through the human growth hormone that was used in the human growth hormone treatment programme. The administration of that programme by the Department of Health and Social Security, as it was then, was the subject of a comprehensive and open hearing in the High Court before Mr. Justice Morland, as the hon. Member for Winchester said.

The main court hearing ran from April 1996 to July 1996. During the hearing, the judge conducted a thorough examination of a great deal of documentary evidence on the conduct of the programme, and heard evidence from witnesses, including some of the most eminent experts in the field.

The Department co-operated as far as possible in the full production of all the documents and witnesses that could help the court to understand and unravel the circumstances surrounding the administration of the treatment—everything that was relevant and could be traced was produced.

Mr. Justice Morland found that the Department had been negligent in the administration of some aspects of the programme, and patients whose treatment commenced after 1 July 1977 and who had been treated with growth hormone prepared according to the Wilhelmi or Hartree Wilhelmi method were successful in their action. He ruled that, on that date, action should have been taken to withdraw the HGH treatment or clinicians should have been warned that CJD could be transmitted. The date was set as the benchmark for compensation. The Department of Health, but not the Medical Research Council, was ruled to have been negligent.

Representatives of a number of patients who had died of CJD and whose treatment had straddled 1 July 1977 appealed against the finding—their appeal was heard in November 1997. The Court of Appeal referred the case back to Mr. Justice Morland to clarify some aspects of his original finding.

A further hearing took place during April this year. Mr. Justice Morland reviewed his earlier judgment and upheld the appeal of those patients who were treated with Wilhelmi or Hartree Wilhelmi hormone and who had received at least half their treatment with that preparation after 1 July 1977. Fourteen patients are involved, and we are working with the legal representatives of their estates to finalise any compensation that is payable.

The Department has accepted all those findings in full. We have sought at all times to co-operate fully with the courts and to comply as quickly as possible with their judgments. I have also accepted that any patient whose treatment with human growth hormone meets the criteria set by the court and who contracts CJD will receive compensation in terms similar to those reached for the plaintiffs who took part in the court action. Sadly, we have already had to pay interim compensation to four patients in that situation, and we will continue to make payments in any further cases that may arise.

I am also aware of the very real worries of all those treated with human growth hormone who are well at present but could contract CJD. I am sorry that their lives should be blighted by the knowledge that they risk contracting the disease. We all wish that they were not in that position—obviously, we all hope that the worst will never happen.

Some of the human growth hormone patients took legal action against the Department, claiming damages for the psychological harm and distress that they had suffered. I have met a number of those patients and those associated with their cases.

The case was heard, again by Mr. Justice Morland, during April and May 1998—the judgment was given in June 1998. As a result of the earlier negligence finding against the Department, the judge found that human growth hormone patients would be entitled to compensation if their treatment was completed after 1 July 1977, they received Wilhelmi or Hartree Wilhelmi hormone and they were suffering from a recognised psychiatric illness as a result of knowing that they were at risk of CJD. Again, we have accepted that finding and have agreed and paid compensation in 29 cases. A number of further claims are being investigated.

[Ms Tessa Jowell]

I know that many hon. Members have been concerned about the implications of that judgment, but we must recognise that all medical treatments, particularly new treatments, carry some risk. We intend to minimise that risk. Earlier this year, we announced proposals on some of the ways in which we will review our procedures and practices and issue guidance on the safest, most effective and most appropriate management of clinical practice.

Under those proposals, which were announced in July 1998 in the document "A First Class Service", the new national institute for clinical excellence will draw on expertise developed across a wide range of national and regional bodies to produce guidance and ensure that treatments are provided on the basis of safety, quality and efficacy.

I am aware of the calls for a general no-fault compensation scheme. I understand the motivation for those calls—many of which are from those who, as a result of the courts' decisions, will not receive compensation—and have given the question much thought.

The Government's policy—like that of the previous Government—is that compensation will be paid only when negligence has been proved. We believe that paying compensation on a no-fault basis would be enormously complicated, would not necessarily solve the problems that are being encountered, would be expensive and would have ramifications beyond the health service.

We believe that compensation should be paid only when a duty of care is owed, when a negligent act has been committed and when harm has been caused by that negligence. It is clearly better for the national health service that money is spent on direct patient care, rather than on the inordinate costs incurred in fighting compensation claims. Hon. Members will want to know that we are continuing to fund the counselling service for patients who were treated with human growth hormone and their families.

Mr. Alan Duncan (Rutland and Melton): I congratulate the hon. Member for Winchester (Mr. Oaten) on his contribution, in which he made some very serious points. However, the CJD argument has moved on. We are talking about compensation for the use of growth hormone, but what if blood products and medical instruments are found to carry similar risks? The Minister has a duty of care, so will she give a pledge to compensate those who may suffer from her negligence, and that of the Department, in not making clear today the risks of CJD infection from such sources?

Ms Jowell: The Government are absolutely committed to publishing information and evidence on the risks from CJD and on other public health hazards. We will seek the best scientific evidence, which we will publish and act on. Our framework for determining compensation remains that, where negligence is proved by the courts, compensation will be paid.

Mr. Paul Flynn (Newport, West): Many hon. Members have constituents who are in this distressing situation. Does my right hon. Friend think that the Government—by relying today on a legalistic argument for what is a limited claim for a tiny number of people—will appear to people outside to be taking a heartless attitude?

Ms Jowell: I very much hope that the Department's approach—which extends beyond this specific issue, and is a matter of general principle—will be seen as fair, not heartless. In everything that we have done in representing the Department's position and recognising the heartbreak suffered by the families, we have sought to establish a balance between what is fair and reasonable and not exposing the Department or the national health service to completely unfettered claims which have not been founded on clear evidence of negligence. We believe that the establishment of negligence in the courts is the fairest way of determining compensation. Once the judgment has been made, we have proceeded as quickly as possible to ensure that compensation is, in practice, paid to the families concerned.

I wish to remind the hon. Member for Winchester of the continuing support available to families provided by a unit under the leadership of Professor Michael Preece which is located at the Institute of Child Health in London. It was established in 1992 and does valuable work in supporting patients who have CJD, as well as those who are treated with the growth hormone but who are well at present. The unit is available to provide advice for clinicians and other health or social services staff who may have contact with human growth hormone patients, as well as to mobilise local health and social services to help human growth hormone patients, especially if CJD is suspected.

I fully understand the real concerns expressed by the hon. Member for Winchester. I am as anxious as the other hon. Members who have spoken in the debate to see what lessons can be learned from the tragic circumstances surrounding this treatment programme, to bring the matter to a swift and just conclusion and to ensure that we increase the chances of such mistakes and such dreadful tragedies never happening again.

It being before Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Sitting suspended, pursuant to Standing Order No. 10 (Wednesday sittings), till half-past Two o'clock.

Agriculture Council

2.30 pm

Mr. David Winnick (Walsall, North): On a point of order, Madam Speaker.

Madam Speaker: I would like to take the point of order after the statement. I have had some indication of what the point of order may be, but if the hon. Gentleman will allow me, I must take the statement first.

The Minister of Agriculture, Fisheries and Food (Mr. Nick Brown): With permission, Madam Speaker, I should like to make a statement about the outcome of the European Union Agriculture Council held on 23 and 24 November, at which I represented the United Kingdom. My noble Friend Lord Sewel, Parliamentary Under-Secretary of State for Scotland, was also present.

The Council voted on a proposal by the Commission for the lifting of the worldwide ban on the export of British beef in respect of meat from animals born after 1 August 1996: 10 member states voted in favour of the measure; only one, Germany—for understandable domestic reasons—voted against; and Spain, France, Austria and Luxembourg abstained.

The vote represented a substantial move towards the Commission proposal by five member states from the earlier vote in the Standing Veterinary Committee. Most importantly, the procedures under which the vote was taken in Council enable the Commission formally to adopt the decision.

I can now announce to the House that, within the past three hours, the Commission has adopted the proposal permitting the export from the United Kingdom of boneless beef and beef products from animals slaughtered between six and 30 months of age and born after 1 August 1996. That is the date on which the Commission has verified that all contaminated feed was removed from the feed chain. There are further conditions aimed at preventing the offspring of BSE cases from entering the export scheme; a requirement for the slaughter of offspring of BSE cases; and strict rules on slaughtering and processing.

The Government will shortly issue a consultation paper on our proposals for implementing those rules. I shall lay before Parliament secondary legislation to make compulsory the offspring cull, which has been operating since July on a voluntary basis. The legislation will provide compensation at the market rate to owners of animals slaughtered.

I am sure that the House will welcome this excellent outcome. It has been achieved against a background of scepticism about the seriousness with which we have tackled BSE. We have overcome the misconceptions, and had our case judged objectively on its scientific merits and supported by independent Commission inspections, taking as our overriding principle the absolute need to safeguard public health.

Every Agriculture Minister who spoke in the Council, including those who did not vote in favour, had very positive things to say about the commitment shown by the new United Kingdom Government to tackling the problems presented by BSE. The outcome is also an affirmation of the value of the Government's close co-operation and dialogue with our partners in Europe and with the European Commission.

The lifting of the ban comes hard on the heels of the support measures for agriculture that I announced to the House on 16 November. Both demonstrate the Government's commitment to securing a viable long-term future for the sector.

The Council also held a discussion of the Commission's proposals for common agricultural policy reform in the context of the Agenda 2000 measures. The proposals are essential for the future stability of European agriculture, and in order to facilitate a successful enlargement of the Union to the east. The Council agreed a report to the Vienna European Council next month identifying the main outstanding issues, and expressing its determination to reach conclusions on the package as a whole by next March.

It is an important Government objective to secure an ambitious reform of the CAP that serves the national interest, and, on behalf of the Government, I warmly welcomed the commitment by the Council to take early decisions. My right hon. Friend the Chancellor made similar points in the discussion at ECOFIN on 23 November on the future financing of the European Union.

It was a very important Council meeting for the United Kingdom. We have achieved a major objective of our policy towards Europe in the lifting of the beef export ban. Although it will take time for the British beef industry to win back markets that have been lost to it in the past two and a half years, I believe that we have created the conditions in which it can now plan for the future, confident that the industry has been modernised and is operating to the highest possible standards. Our immediate task is to work with the industry to ensure that the scheme that we have successfully negotiated in Europe works effectively to help to regain recognition for the quality of British beef on world markets.

Mr. Tim Yeo (South Suffolk): I welcome unreservedly the partial lifting of the beef export ban, and I warmly congratulate the Minister on his achievement. It is a tribute to his personal skills that he has secured an agreement that eluded his less diplomatic predecessor.

In the spirit of bipartisanship, and without detracting from his negotiating success, will the Minister acknowledge that the measures needed to satisfy the European Commission were in place before the general election? Is he also aware that there will be disappointment that the lifting of the ban is only partial, and that beef on the bone will still not be eligible for export? Does the Minister agree that many customers want carcase beef, and, because they will not be able to buy it from Britain, a significant part of the market will still be closed to us?

I turn to the conditions attached to the decision. Are there still animals in the cohort cull which need to be traced? Could he expand on the strict rules he mentioned which will be required for slaughtering and processing? For example, will the abattoirs from which beef for export will be taken have to be dedicated solely to exports? How quickly does he expect the European officials to carry out the necessary inspections in this country? What support will the Government give to the promotion of British beef

[Mr. Tim Yeo]

exports, especially in view of the help that was given to Northern Ireland and the need for mainland British beef producers to receive some assistance? What steps will the Government take to ensure that beef is back on more school menus? How soon will British service men abroad be able to enjoy British beef?

Does the Minister agree that recovering our export markets requires the co-operation of all European countries? Was he concerned by the report in *The Guardian* today of a possible German threat to boycott British beef? The Government are keen to have dialogues with their European partners, and the Minister met a German Minister only last week. Was that possible ban discussed at that meeting? If Germany is able to ban the sale of British beef, why does not the Minister immediately halt the sale of imported pigmeat in Britain produced under conditions that we do not permit?

In view of the Council's decision, is the lifting of the Government's home-made ban on beef on the bone in Britain now more or less likely? Does not every day that that ban remains further undermine confidence in British beef? Did the Minister use the two-day Council meeting to raise our growing concern about the export to Britain of meat products produced under conditions illegal in this country? In view of the confusion caused by conflicting statements from the Minister and the British Retail Consortium, and by the Government's failure to bring forward promised legislation on the food standards agency, is not the halting of such illegal imports, which include poultry from the far east, all the more urgent?

Did the Council discuss the review of the labelling directive? What steps are the Government taking to end the practice of selling food labelled with a Union Jack that contains food grown outside Britain and merely processed here? Will the Minister press his fellow Ministers for more honesty in labelling?

The Minister referred to Agenda 2000 in general terms. What progress has been made on specific issues since the March Council? For example, can he give the House the Government's view on labour unit modulation? Does he still support Lord Donoughue in the call for a 30 per cent. cut in milk support prices? What is the Government's view on proposals for national envelopes? I ask these questions in an entirely constructive spirit. The Minister deserves credit for his achievement, but the bottom line is how soon significant beef exports will resume. When will the farmgate price of British beef start to rise, and when will one of Britain's most famous and desirable products resume its rightful place at the top of menus around the world?

Mr. Brown: I welcome the hon. Gentleman's ungrudging and unqualified endorsement of my statement. He had some subsidiary questions, some of which run a little wide of the original statement. He asked about farmgate prices in the beef sector. I am certain that, when the market returns to normal, which includes recovering a substantial proportion of the export markets that we used to have, we will see an impact on the domestic industry as well.

I am not in a position to give the House a forecast today. I can say that it is my objective to have the date-based export scheme up and running and past its Commission inspection by next spring, so that we will be able to make a start on exporting, as the hon. Gentleman rightly said, deboned beef products worldwide. We are not talking just about trade with the European Union: it is a worldwide ban.

On national envelopes and the British proposal, along with the Italians, the Danes and the Swedes, for a more radical review of milk quotas, I can tell the hon. Gentleman that, although those things were discussed by Ministers on the Monday night, there are no conclusions yet. I can tell the House that Ministers have taken a hard look at the estimate of the costs of the different reform proposals that have been put forward by national delegations and by the Commission.

The hon. Gentleman asked about my meeting with the British Retail Consortium to try to get clear labelling so that consumers can make a choice. I have already told the House that the agreement made was for fresh meats, processed meats and own-label meats that are directly under the control of the supermarkets concerned. I cannot ask the supermarkets for a commitment on processed meats that are supplied to them by other suppliers in turn—*[Interruption.]* I thought that the Conservative party used to believe in free trade. There are those of us who believe in free trade and consumer choice, and I believe that consumers should be able to choose.

Mr. Yeo: What about illegal products?

Mr. Brown: The hon. Gentleman is shouting about illegal products. If products are illegal, I and the rest of the Government stand ready to take action. I invite the hon. Gentleman to send me the specific evidence that he undoubtedly has—he would not have made the comments otherwise—about food products coming into this country without meeting the standards that Parliament requires; I will then have it looked at by the competent officials, and stand ready to respond to any serious detailed allegation that he can make.

I must tell all hon. Members that is not enough to make generalised charges—we can all do that. Just as we object to consumers in other countries saying that they are not sure that British beef is safe to eat—they are wrong, because British beef is among the safest in the world—surely it is not right for us to say that other nation states cannot produce food products to the standards that we insist on here, because they clearly can.

The hon. Gentleman asked about beef on the bone. I have told the House before that, when the Spongiform Encephalopathy Advisory Committee reports to me that it is appropriate to lift the domestic ban on beef on the bone, I will do so. I will do so on the basis of scientific advice, not on the basis of political will, which is what the hon. Gentleman is advising me to do. At the Conservative party conference, he said that he would lift the ban. There would be no consideration of whether it would be right to do so: he would just lift it anyway. I cannot do that. It would not be responsible for me to do that. The scientific advice comes first. I will consider it, and, when it is proper for me to do so, I will lift the ban.

The hon. Gentleman made a point about the importation of pigmeat, and invited me to ban it. If he has specific evidence that pig products that are coming into this country do not meet the proper food safety standards, I will consider that, and make sure that the appropriate authorities look at it. He must come forward with specific evidence, not generalised assertions.

The hon. Gentleman asked about consumers in Germany. I hope that consumers there, throughout western Europe and worldwide will understand that we have made an enormous effort, and spent an enormous sum—more than £4 billion will have been spent on the BSE crisis by the end—to ensure that our beef products are among the safest in the world. I fully accept that consumer perceptions may be based on the conditions of 10 years ago, not the conditions now. We must explain ourselves, and I stand ready alongside the Meat and Livestock Commission to explain what the Government have done to ensure that British beef is safe, and to enable us to recover our export markets. The effort includes serving British beef to service men overseas, and ensuring that education authorities and others in the United Kingdom who purchase meat products in bulk have confidence in British beef.

The hon. Gentleman asked about the Commission inspections. The date-based export scheme process will have to be inspected by the Commission, and I am confident that we can get that scheme up and running, and get it through its inspection. The Commission is ready to make the inspection when we get the scheme up and running. The hon. Gentleman asked about slaughterhouse rules. The scheme is slaughterhouse-based, not farm-based. The rules require slaughterhouses to be dedicated to the date-based export scheme, but they may also handle other animals, such as pigs and sheep. They cannot handle non-date-based export scheme cattle.

The hon. Gentleman asked about progress on the cull. Some progress has been made with a voluntary cull, but there is more to do, and that is why the Government will make the cull compulsory. I shall introduce regulations soon, and compensation will be paid to farmers at market value.

The hon. Gentleman asked me to confirm that the arrangements for lifting the ban were first put in place by the previous Government. It is true that the agreement in principle was made at Florence, but that was not the difficult bit. The difficult bit was implementing the agreement, both credibly and in a way that would persuade our partners in the European Union that we had implemented it credibly. The agreement was based on co-operative working, and on our acceptance that we had to be able to explain the scheme, to prove it and to justify it on the basis of science and on its technical implementation.

I would not have been able to achieve agreement without the hard work, energy and skill of my predecessor, the Minister for the Cabinet Office, my right hon. Friend the Member for Copeland (Dr. Cunningham). Agriculture Ministers from other nation states always ask after my right hon. Friend, mentioning the skilful way in which he managed the British presidency. The impact that my right hon. Friend made on the Agriculture Council during our six-month presidency convinced our EU partners that we were a new Government with a new approach, with whom they could deal. That was not the case with the previous Administration.

Mr. David Drew (Stroud): I unreservedly welcome my right hon. Friend's announcement. It is a victory for effective diplomacy and quiet negotiation, unlike what happened under the previous Administration. Will my right hon. Friend say a little more about his welcome decision to extend the cull to beasts affected by maternal transmission of BSE, including cases in which cohorts are affected? Does he agree that we will be safe only if we move as quickly as possible towards implementing a food standards agency?

Mr. Brown: I welcome my hon. Friend's remarks. I am committed to the food standards agency, as are other members of the Government. I intend to discuss with territorial Ministers and my right hon. Friends the Secretary of State for Health, the Secretary of State for the Environment, Transport and the Regions, and the Chancellor how best to take the proposal forward, given that it has no slot in the legislative programme. That proposal is going to be taken forward. My hon. Friend is right to say that the cull is a necessary condition of the scheme. Of course, farmers will be compensated at market rates, but the proposal must be taken forward. The voluntary scheme has not brought in all the animals that I would have wanted, so we must make the cull compulsory.

I estimate that about 3,500 animals will have to be culled under the scheme, which is designed to deal with maternal transmission. It is so important that we not only get the date-based export scheme up and running, but that we do so in a way that will restore consumer confidence in our products, not merely in the markets that are used to dealing with the United Kingdom but among those countries that have been the most critical and sceptical. I look forward not only to a completely clear report from the Commission but to our being able to explain what we have done in countries such as Germany, where there is still uncertainty about British beef products.

Mr. Richard Livsey (Brecon and Radnorshire): The Liberal Democrats warmly welcome the Minister's negotiating skills. This has been one of the worst crises to affect agriculture this century, and we are pleased with the result that he has brought back from Brussels. The industry has warmly welcomed the proposal, and rightly so. It is a bit rich for the Conservative Opposition to carp about it. After all, they are equivocal about qualified majority voting and the powers of the Commission that the right hon. Gentleman has announced today. If the Opposition's policy were in place, the attitude of the Germans, who wanted to maintain the ban, would have ensured that it stayed in place. That is an extraordinary state of affairs.

Perhaps the Minister will also accept that we are pleased that full market values will be given for animals that have to be sold under the offspring cull, which will greatly help the farming community.

The development of the market is extremely important. Perhaps the right hon. Gentleman can give us some idea what the MLC will be doing to promote British beef on the continent, and why the French and the Spanish, in particular, did not vote in favour of lifting the ban, but abstained. What were their reasons for doing so, and will that affect our ability to market in France and Spain?

Finally, the Agriculture Council discussed many other agricultural matters, and I am sure that reference was made to the package to supply food to Russia this winter to relieve starvation. Will the right hon. Gentleman consider the possibility of a special scheme to send British

[Mr. Richard Livsey]

sheepmeat to Russia this winter to alleviate problems in the sheep market here and assist the Russians by preventing starvation?

Mr. Brown: I am grateful to the hon. Gentleman for his welcome for today's announcement, and for the constructive part that the parliamentary Liberal Democrats have played in these matters.

On food aid and sheepmeat, we cannot use our food surpluses crudely to provide stocks to Russia. Humanitarian aid schemes to Russia are being put in place, which involve credit lines and the provision of some food aid. They are being co-ordinated on our behalf by the European Union, and the United States has put in place a separate range of measures.

However, in these matters we must be conscious of our obligations to the World Trade Organisation. It would not be fair to take other people's market opportunities by dumping our surpluses. Nevertheless, we should stand by Russia in what is going to be a difficult winter, and show solidarity with the Russian people, which means ensuring that any food aid sent—I am certain that some will be—gets to the people who need it. There are clear concerns about the distribution network there.

On the opposition from France and Spain, at the Standing Veterinary Committee, France, Spain, Italy, Holland and Germany voted against the Commission's proposal. I had bilateral meetings with each of those member states, and was able to justify the Commission's proposal, which is, of course, the United Kingdom proposal, on the basis of the science and the implementation of the scheme. I was able to ensure a welcome shift towards the Commission from all those national delegations. I would have preferred a positive vote for the Commission proposal, but the best that I could get was the abstention, which enables the proposal to be brought into effect by the Commission.

The overriding reason why countries are not able to give whole-hearted support to the scheme is the enormous damage that BSE has done to the beef market across western Europe. It is not only a United Kingdom problem; the market has fallen further in Germany than it has in this country, because of consumer fears about BSE. This is naturally a serious matter for our partners, and when we are trying to achieve agreement on matters of this kind, it is a good idea to step back and try to see the problem from their point of view, instead of asserting our own, and demanding that people always agree with us.

The measured, science-based approach that the British Government have adopted is the right approach. It has commanded respect from national delegations, even those that have not felt able to lift the ban yet. Nobody—not a single nation state—said that it should not be lifted; the issue was timing, and clearly the political leaders will have been worried about consumer opinion in their own countries. That is a perfectly reasonable thing for them to worry about—the protection of the public must come first in these matters.

As for explaining ourselves in difficult markets, the Government stand ready to work with the Meat and Livestock Commission—and, indeed, the industry—to make sure that we explain ourselves and rebuild our markets. I certainly stand ready to do what the Government properly can to help.

Mr. Dale Campbell-Savours (Workington): My right hon. Friend's announcement is a further example of the Labour Government delivering on their pledges—we have done it; the Conservatives destroyed the market.

I take my right hon. Friend back to the Meat and Livestock Commission, and what part it can play in Europe. Will we support it with increased resources? Will it sponsor an advertising campaign throughout the European Union to develop the markets for beef, and our re-entry into those markets? Will there be any opportunity for British producers to promote beef—perhaps through trade fairs—and perhaps even to foster some sort of beef price war in Europe so that we can reclaim markets, taking into account the experience of the Northern Irish in recent months, which has not been too good?

Mr. Brown: I welcome what my hon. Friend says, and thank him for his kind remarks.

On exports from Northern Ireland, when I visited Bologna last week, Paolo de Castro, my Italian ministerial counterpart, served me Northern Ireland beef and Italian mushrooms for lunch. It was not only delicious, but a great compliment, and it shows how far things have moved. The best thing that we can do is explain how Britain has got through the BSE crisis, explain what measures we have put in place to ensure that exported British beef is truly among the safest in the world—that goes for Northern Ireland beef from the herd scheme that is in place in Northern Ireland as well—and restore consumer confidence in British beef as a first-class product.

The MLC has a number of ideas, and I stand ready to explore all these matters with it, but I do not want to make a further announcement this afternoon.

Mr. Nicholas Winterton (Macclesfield): May I congratulate the Minister, without equivocation, on his achievement in obtaining a lifting of the export ban on British beef? There is no doubt that his personal negotiating skills have played a part, and I congratulate him on that.

Will the Minister answer two questions? First, when does he think that SEAC will advise him to allow the sale of beef on the bone in the United Kingdom? That would be another fillip and encouragement to the farming industry. Secondly, will he ensure that the veterinary and hygiene costs that are to be imposed on our abattoirs are no greater than those imposed on abattoirs in countries elsewhere in the European Union? The abattoir industry in this country is greatly concerned that the costs that it is having to meet will put some abattoirs out of business. Those costs are unfair, and not the same as those being imposed in other EU countries.

Mr. Brown: I thank the hon. Gentleman for his remarks. He has not always spoken warmly about the European Union and its institutions, so his remarks today are all the more welcome. I promise that I will take a hard look at the costs of the meat hygiene service and veterinary surgeons in abattoirs, and see what can be done. Public safety must come first, however, so I am not

certain that I shall be able to do everything that he wants. I take the point that he made about comparable costs in other member states. He asked about advice from SEAC. I anticipate a report from it soon.

Dr. Gavin Strang (Edinburgh, East and Musselburgh): Is my right hon. Friend aware that he, his departmental colleagues and the Minister for the Cabinet Office, my right hon. Friend the Member for Copeland (Dr. Cunningham), deserve the thanks of the whole House for getting us to this point?

Although I accept that, if we are to meet the stringent conditions for exporting British beef and rebuilding our export markets, the main challenge lies with the meat industry, including abattoirs, does my right hon. Friend agree that the Government have an important part to play, not least because of the emphasis on traceability in relation to the cull and the criteria for exporting beef? Is he willing to take a personal interest in the new cattle traceability scheme, and do his level best to make the centre at Workington a model not just for Europe but for the rest of the world in terms of speed, reliability and overall efficiency?

Mr. Brown: I welcome what my right hon. Friend has said. He, too, has played a part in those matters. What he says about traceability is absolutely right. Traceability is here to stay. I have visited the cattle movement service headquarters at Workington—indeed, I opened it. I found the young staff enthusiastic about what they were doing, and doing a good job well. On support for the meat industry and the Meat and Livestock Commission, I shall see what I can do to help.

Mr. Michael Jack (Fylde): I hope that the Minister and the House will join me in thanking the Minister's officials, who deserve praise for their contribution to the lifting of the ban. Without their work behind the scenes, none of the progress in which we can rejoice today could have been made.

The hon. Member for Workington (Mr. Campbell-Savours) and my hon. Friend the Member for South Suffolk (Mr. Yeo) asked the Minister whether resources would be made available from within his existing budget to help with the marketing effort. Will he produce a parallel package—in pro rata terms, worth some £11 million—to that provided by the Northern Ireland Office to help it to rebuild its markets in Europe?

Mr. Brown: I must operate within the budgetary constraints of the comprehensive spending review, but I shall see what I can do. It is right that the Government explain to those who used to be our trading partners in beef—we hope that they will be our trading partners again—exactly what we have done to ensure that the public, overseas and at home, are protected from BSE and new-variant Creutzfeldt-Jakob disease. The only way that we can rebuild our markets is through proper explanation.

I am grateful to the right hon. Gentleman for what he said about my officials. In my short time at the Department, I have been well served by senior officials, who have put in very long hours, not only to join me in the range of bilateral discussions that I have had to have with other countries, but to prepare for the meetings and discuss with other officials, so that the Ministers I meet are properly advised. They have worked extremely hard, and deserve the House's gratitude.

Mr. Barry Jones (Alyn and Deeside): I thank my right hon. Friend for his successful and doughty efforts. He speaks for the whole country. How does he assess the impact of the lifting of the ban on Wales, especially on my constituency, where farmers have had a nightmarish time, and have edged towards bankruptcy? How does he assess the impact of CAP reform on dairy farming?

Mr. Brown: The British, Italian, Danish and Swedish proposals for reform of the dairy sector are extensive, and involve a phasing out of quota by 2006. They have not been agreed by others on the Council of Ministers, and the Commission and other member states have made alternative proposals. It is too early to give my hon. Friend a definitive answer, but we want radical reform.

The announcement was widely welcomed by farm leaders from Welsh farming unions. Such is the importance of the announcement that they were in Brussels to hear at first hand how matters had transpired at the Council of Ministers. I hope that today's announcement, together with the one I made last week on support, particularly through the hill livestock compensatory allowances, will have a positive impact on agriculture in Wales.

Sir Peter Emery (East Devon): I congratulate the Minister, as I am sure the whole House does. First, has he taken any action with America and Canada to ensure that their import ban is lifted? No one can now argue that British beef is not as safe as beef from anywhere else in the world. Secondly, is it not a hurdle to the export of animals that it has to be proved that the dam was alive six months before the animal to be exported goes into the scheme? Is it correct that a statement witnessed by the farmer will not be adequate? Will the Ministry of Agriculture establish a special unit for this purpose? If so, will he ensure that farmers, who have suffered profit losses of between 45 and 50 per cent. over these years, will not have another cost imposed on them, and that the cost will be borne by MAFF?

Mr. Brown: The right hon. Gentleman makes two important points. We shall have to set up a unit in MAFF to deal with that technical issue. The dam must be alive six months before the animal goes into the scheme. As certification from the farmer will not be enough, in itself, for the workings of the scheme, the only way we can verify that is to establish a unit within the Department.

I am examining what the Government can properly do about costs. I am, in principle, considering making a contribution from the funds of my Department, at least to the start-up costs of the scheme, although some costs will have to be borne by the industry. No final decision has been reached, but the Government will have to provide some support to get the scheme up and running.

The worldwide ban was imposed on the United Kingdom by the European Union, and it operated worldwide. We have got that lifted, so it is now possible for us to commence discussions with other countries who

[Mr. Brown]

were previously our trading partners in beef products, such as America and Canada, to get their bilateral bans lifted. I shall certainly attempt that.

Mr. Lindsay Hoyle (Chorley): Obviously, this is great news for farmers in the north-west, which is the second most affected region. What can we do to promote the quality beef that is produced in England? Wales can sell its beef on the back of the success of its Welsh lamb, which is delivered all around the world. That is a prime example of the good branding of a quality product. I believe that we shall not have the same support in England. What new initiatives will the Minister introduce to support English farmers? Will he give them the same support as is given to Scotland, Wales and Northern Ireland?

Mr. Brown: My hon. Friend is absolutely right to raise that issue. I shall be working with the Meat Livestock Commission to ensure that there is proper marketing support behind the new export drive. It is also important for us, as public representatives, to play our part. This issue should not become unreasonably politicised, but we should explain what our country has done to ensure that our beef is entirely safe. That is the key message we should be sending out, and it has the great merit of being completely true. Beef is safe.

Mr. William Thompson (West Tyrone): First, I thank the Minister for his statement, and I congratulate him on the efforts that he has made since he took office. A great handicap to the export of beef is the fact that beef on the bone cannot be exported. I know that the Minister anticipates that that ban will be lifted in the United Kingdom—in the near future, I hope. Will the same apply, in the end, to the export of beef to Europe, or will there have to be another month of tortuous negotiation with the European Commission?

Mr. Brown: I am afraid that the blunt answer to the last question is yes. The date-based export scheme relates to deboned beef: it therefore excludes live animals and whole carcases, and, indeed, any other beef on the bone.

As the incidence of BSE in this country lessens, we shall want to deal with the issue, but the Government's view is the same as that of the last Government when they negotiated the agreements in Florence. We think that we should make a start, and this is a good start, which will give us a chance not only to recover markets, but to explain our current arrangements to ensure that beef products from Northern Ireland and the rest of the United Kingdom are completely safe.

Mr. Andy King (Rugby and Kenilworth): I thank my right hon. Friend for all the efforts that he has made since taking up his present post. I know that farmers in my constituency have great confidence in him, because they cancelled an arrangement that they had made to come here, yet again, to lobby Warwickshire Members. Owing to my right hon. Friend's efforts, they decided that such action was unnecessary at this time. That denotes an enormous increase in confidence in him, and in the present Government.

My right hon. Friend has plainly met one major challenge, but the greatest challenge of all will be reform of the common agricultural policy. What part are the Government taking in that?

Mr. Brown: I thank my hon. Friend for his kind remarks.

Since becoming Minister of Agriculture, I have set out to meet not just farm representatives, but individual farmers. The priorities in my work load have been informed by what I have been told by farmers, as well as their representatives.

I assure my hon. Friend that the British Government are in the vanguard of nation states that seek radical reform of the CAP, so that it can meet the challenges of an increasingly liberalised world market that is moving remorselessly towards us, whether we reform or not. The Government believe that we should be ahead of the game, rather than running behind it.

Mr. Tim Collins (Westmorland and Lonsdale): I congratulate the Minister on bringing a good day to British farming. That has been rare in recent years. Does he accept, however, that the crisis is not yet over, and that a difficult winter lies ahead for many farmers in my constituency and elsewhere? Will he consider working with representatives of the British banking industry, and trying to persuade them that they should continue to support farmers in the coming months, so that, when better days come, there are still farmers in business to enjoy them?

Mr. Brown: Yes. A huge effort has been made, in terms of officials' as well as Ministers' time, to secure what I have announced today. Last week, I announced a package of measures specifically designed to deal with the current difficulties in the farming sector. The purpose of all that has been to ensure that the industry can experience better times—and those better times, we hope, are being negotiated within the CAP. CAP reform is crucial to the long-term stability and security of the domestic industry.

I hope to meet representatives of the sector that specialises in agricultural banking shortly.

Mr. Paul Marsden (Shrewsbury and Atcham): I, too, congratulate my right hon. Friend and his predecessor on the tremendous news that we have heard today, and on the excellent work that went into bringing it about. I pay tribute to other Shropshire Members, past and present, and to the MEP for Hereford and Shropshire—a constituency that includes Wyre Forest—who have undertaken some hard lobbying of my right hon. Friend.

What initial targets and estimates has my right hon. Friend for the reclaiming of the export market? In particular, may I ask what figures he has in mind in relation to the next 12 months?

Mr. Brown: I thank my hon. Friend for his remarks, and acknowledge the tribute he pays to representatives from his area, who have all played a constructive part in the discussions.

I shall not be setting targets. It would be quite wrong for us to do anything other than acknowledge that it will be difficult to recapture markets that were lost to us.

A surplus of beef products in the EU makes it pretty difficult to do so. The important thing is that the legal barrier to us trying to do so has been lifted, and we can make a start. It will take time, and I am afraid that the early start might be slow, but we must get on with it.

Mr. Ieuan Wyn Jones (Ynys Môn): May I also congratulate the Minister on his success in securing a lifting of the ban throughout the European Union? I thank him for his visits to Wales during a difficult period for farmers, and for his work alongside ministerial colleagues in the Welsh Office. While he thinks about ways in which we can promote Welsh beef and beef from other countries of Britain, may I commend to him the success, for example, of branding Welsh lamb? When he considers ways in which he can sell the idea of reopening markets for Welsh beef, will he remind our colleagues in Europe that some of the best beef is finished on grass? That should be an enormous selling point. Will he confirm that any measures implemented in MAFF will be mirrored in the Welsh and Scottish Offices?

Mr. Brown: Yes, I can confirm that. My visits to Wales have enabled me to hear at first hand the views of farming leaders as well as individual farmers in Wales. The fact that the Government are listening and making policy that is informed by what farmers say has been widely welcomed—nowhere more so than in Wales. I am grateful for the hon. Gentleman's remarks.

Ms Sally Keeble (Northampton, North): I welcome very much my right hon. Friend's statement. Is he aware of substantial concerns about the safety of beef production and the incidence of BSE elsewhere in Europe and the world? What discussions are taking place in Europe to ensure that other Governments implement the same stringent controls as ours in order to prevent the spread of BSE?

Mr. Brown: I am grateful for my hon. Friend's remarks. The EU is considering Europewide measures on specified risk material and other precautionary regimes on BSE that would apply throughout Europe. The UK's contribution to those discussions is, of course, informed by our experience of these matters. I have offered to share our science and technical expertise with other member states, so that, if a crisis looms in their countries, they can get through it with knowledge of some of the things that we have had to learn the hard way.

Mr. Tim Boswell (Daventry): Although I, too, welcome the Minister's statement, which reflects his personal efforts as well as those of his predecessors, will he use this opportunity to remind the House that this decision very much falls into the context of the progressive decline of the BSE epidemic in cattle? There is a strong probability that no more than 1 per cent. of total cases ever has yet to come to light.

In the wider context of Agenda 2000, will he consider with his European colleagues the implications of supply and demand in the European beef industry for land use, and contemplate constructive measures to encourage further extensification, and possibly the conversion of some grazing land to other uses?

Mr. Brown: I am grateful for the hon. Gentleman's remarks. He makes two important points. On discussions on Agenda 2000 proposals, there is widespread recognition throughout the EU of a structural surplus in beef products with which we must deal. Within that broad recognition, there is further discussion on whether priority should be given to extensive or intensive systems. Clearly, different countries approach that depending on their domestic circumstances.

I am pleased to be able to tell the House that the reported number of BSE-affected cattle seems to be coming down in line with predictions, which rather confirms and underpins the Government's approach.

Mr. Michael Clapham (Barnsley, West and Penistone): I congratulate my right hon. Friend on his achievement, which is very welcome. However, does he agree that, if the previous Government had taken positive action when BSE first raised its head to ensure the safety of food in the food chain, the whole crisis might well have been averted?

Mr. Brown: I do not want to say anything that might pre-empt the outcome of the BSE inquiry, the results of which will eventually come to me and my right hon. Friends. Nevertheless, it is stating the obvious to say that, in the early stages, the issue could have been handled better than it was. Specifically, it is right to say that our relationships with our European Union partners are crucially important. We must get ourselves into a position in which we are treated seriously and with respect by our partners and can negotiate with them, rather than merely shouting impotently at them.

Mr. Christopher Gill (Ludlow): The Minister will know that one of the United Kingdom's largest regular sales of finished cattle is held each week at Ludlow. His announcement of the lifting of the export ban will therefore be very welcome among the beef farmers of south Shropshire, which is one the country's premier beef-producing areas. However, he will be aware also that there is not much optimism among meat traders that our export trade will be quickly regained.

Will the right hon. Gentleman expand on his statement that that trade will be allowed only through dedicated abattoirs, whereas all hon. Members will know that every abattoir has to comply with EC standards for intra-Community trade? More to the point, will he give the House an absolute undertaking that there will be no further let or hindrance to those exports once they have passed the inspectorate at the dedicated abattoir?

Mr. Brown: The purpose of the agreement is to ensure that beef that has gone through the scheme—the date-based export scheme is a project-specific scheme—can get into the European market. The only let and hindrance that exports would then face are free market conditions—such as consumer choice and the terms of trade—that are faced by every product. As I said, I do not believe that we will immediately be exporting vast quantities of meat. We have a lot to do to rebuild markets that we once had, in an already over-supplied market. Clearly it will not be easy, but we must make a start. We must all work together, without overstating the matter, to achieve as much as we possibly can.

Mr. Bob Blizzard (Waveney): Does my right hon. Friend remember, about two years ago, the previous

[Mr. Bob Blizzard]

Government's policy of non-co-operation in Europe, which left us isolated and friendless in Europe? Does not last Monday's meeting and today's statement show that constructive engagement with Europe brings results? Furthermore, are not those results the best news that British farming has had for a long time—which is why, on Monday, champagne corks were popping on farms in my constituency?

Mr. Brown: Of course my hon. Friend is right. For the Conservative party, the beef war is over.

Mr. Malcolm Bruce (Gordon): I know that my constituents will be delighted to welcome the decision that the Minister has brought back from the Council of Ministers, and that they have been waiting for this moment since the ban was imposed. However, may I pass on to him concerns that have been expressed to me about how we will re-establish a profitable beef industry when we have no market for older cows, we have no market for offal—processors were once paid £80 a tonne for trimmings, but now must pay £60 a tonne for them to be taken away—and we have the heavy costs of inspection and traceability?

What will the right hon. Gentleman do, first, to try to minimise those costs, and, secondly, to ensure that such costs as have to be borne are spread fairly across the industry—rather than to permit a situation in which supermarkets manage to protect their margins, while unsubsidised finishers are forced to carry an unsustainable loss?

Mr. Brown: The Government, of course, currently carry some of those costs. I fully accept that the BSE crisis has hit the domestic industry pretty severely. Specifically, the industry now has to carry costs that it did not have to carry before. The costs of inspecting abattoirs and of traceability are here to stay, but they are not here to stay uniquely in the United Kingdom. Traceability is now a requirement across the European Union. The way forward is to ensure that we can convince consumers of the safety of our meat products, and to ensure that we—Government and industry—work hard together in trying to get back into markets that we once had but have been out of for the past two and a half years. Those obstacles will have to be overcome—the Government cannot simply lift them out of the way.

Mr. Nick Ainger (West Carmarthen and South Pembrokeshire): I join in the congratulations to my right hon. Friend, especially on behalf of my constituency which is a significant beef producer. The announcement is the light at the end of the tunnel for which many of my farming constituents have been waiting.

Does my right hon. Friend agree that to the congratulations he has received from both sides of the House should be added an apology from the Opposition, bearing in mind the evidence given by the former Health Minister, Edwina Currie, to the BSE inquiry on Monday? She said:

> "More people became ill, more people became infected and more people died because of inadequate actions by Government Ministers over a long period of time."

That should warrant at least a small apology from the Opposition.

My right hon. Friend's statement referred to reform of the common agricultural policy. What indication has he received from our European partners that, in the Agenda 2000 negotiations, we can move towards decoupling support from production? We may well get over this crisis, but others will loom if we do not decouple support from production.

Mr. Brown: The point about decoupling support from production—support for rural Britain—is absolutely at the heart of the current discussions on reshaping the CAP. There is a willingness among Ministers to deal with the problems of structural surplus, the challenges of world market prices and the increasing liberalisation that are marching towards us. Getting our partners to go further is a Government negotiating objective, but it is too early to say whether we will achieve all of it.

I must not pre-empt the BSE inquiry. I note that Mrs. Currie has treated it to her opinions, and I wait to see what the inquiry makes of them.

Mr. Robert Walter (North Dorset): I echo the compliments of my right hon. and hon. Friends to the Minister for this further step in restoring traditional markets to the British livestock industry. However, the statement relates to beef exported on the bone from cattle over six months old. One of our most significant traditional markets was the calf market. Can the Minister say when the resumption of calf exports is likely? Will there be any support for the calf industry beyond the announcement he made last week, which will end in March 1999?

Mr. Brown: My announcement last week on extending the calf processing scheme at a reduced rate was designed to give some assistance to the industry in what are clearly restricted trading conditions. There are ethical problems as well as animal welfare problems with the handling of calves. I should like a domestic organic veal industry to develop, rather than looking to live exports, which are a very long way away.

Mr. Paul Keetch (Hereford): I, too, congratulate the Minister on the excellent news. The beef farmers of Herefordshire, including some of those he met a couple of weeks ago when he visited my constituency, will be delighted.

Following on from the comments of the hon. Member for West Tyrone (Mr. Thompson), the problem is not yet over. The right hon. Gentleman will be aware that Herefordshire beef—the finest beef in the world—populates the globe, largely through the export of cattle and semen for breeding. What is the position on those exports, and when will the bans be lifted?

Mr. Brown: I enjoyed my visit to the farms in the hon. Gentleman's constituency. It gave me an opportunity to hear about the problems directly from the farmers. The export of some of the products that the hon. Gentleman mentioned is already permitted by the European Union. Today's announcement pushes forward that agenda.

Mr. Michael Jabez Foster (Hastings and Rye): I want to tell my right hon. Friend how impressed my

constituents, especially the farming community, are with his stewardship since his appointment. They have been writing to me to tell me that. Is he not encouraged by the fact that the national president of the National Farmers Union said this week that diplomacy rather than table thumping is the reason we have achieved this result?

Mr. Brown: I am grateful to my hon. Friend for his remarks. The farming unions have been taken into my confidence as we have gone through the negotiations, and they have done what they can to help with their sister organisations in other member states. They welcome the Government's constructive engagements with our partners, from whom, after all, we expect to get the decision. I have had a strong welcome for the approach that the Government have adopted.

Miss Anne McIntosh (Vale of York): I am delighted that the Minister is here to make his announcement to the House, and I add my congratulations. I am pleased that, for an hour and a half on the flight back from Brussels yesterday, I resisted the urge to discuss the matter with him. I know that he is interested in the Vale of York, because he met one of my constituents, the president of the National Farmers Union, there recently.

What can the Minister do to satisfy producers and consumers of beef in this country that the high standards set in the European Union for beef production in this country are matched by foreign exporters? What can he do to put their minds at rest as to whether foreign exporters are meeting the same high standards that exporters in this country enjoy?

Mr. Brown: I am grateful to the hon. Lady for her remarks—and, indeed, for her company on the flights back from Brussels; we have twice been on the same flight. She asks whether other countries are maintaining the same high standards as we do, but I am afraid that, in the rest of Europe, that point is often put to me the other way around—it is our standards and our products that are questioned. What we should do—all of us; it is not a party political point—is set out to explain what our country has done and at what cost, and explain why we are now able to offer the greatest consumer safeguards anywhere in the world. British beef is among the safest in the world. That is a simple message, but we all need to get it over.

Mr. Owen Paterson (North Shropshire): It would be churlish not to congratulate the Minister on his success so far, and I congratulate him on that partial success. However, this morning, I had a discussion with a major meat export business, and was told that, before the ban, it exported seven to eight truckloads of dressed meat to quality distributors and restaurants in Europe. It was made clear to me that 50 per cent. of that beef was on the bone, for high-quality roasts sold to the best restaurants. It is of absolutely paramount importance that the Minister lifts the beef on the bone ban in this country, and gets the export of beef on the bone allowed to the whole of Europe. Can he give us a clearer idea of a timetable on that?

Mr. Brown: The hon. Gentleman raises two separate propositions. On the second, the right thing to do is to get the date-based export scheme—which, as the hon. Gentleman rightly says, is for deboned beef—up and running and gaining market share, because, as we gain market share, we also restore consumer confidence. On the question of the domestic beef on the bone ban, as soon as SEAC reports to me setting out the parameters, I shall consider what it says; if the scientific evidence means that I can come to the House and lift the ban, I shall do so.

Point of Order

3.33 pm

Mr. David Winnick (Walsall, North): On a point of order, Madam Speaker. Following your previous ruling, may I ask what is the latest position in respect of Pinochet? As you probably know, the Lords have decided that Pinochet is not immune from justice, but can be extradited. That is a wonderful decision, about which Labour Members are delighted. Shall we have the opportunity to discuss the subject in the near future? As far as international law is concerned, it is good indeed that a notorious mass murderer and torturer can be brought to justice.

Sir Norman Fowler (Sutton Coldfield): Further to that point of order, Madam Speaker. Following this afternoon's judgment in the House of Lords on the case of General Pinochet, I have pointed out before that this House is obviously in some difficulty on the issue. So far, there have been no Government statements whatsoever on the issue, in spite of the fact that outside the House it is a matter of open debate. There have now been two judgments, in the divisional court and the House of Lords. Surely it is now time that we had a statement from the Home Secretary. People in this country are greatly concerned about the issue, and about our relations with the democratically elected Government of Chile.

I realise that you, Madam Speaker, will not remotely have had time to consider the judgment of the House of Lords, but may I put one point to you? At the end of his judgment, Lord Nicholls said:

"The sole question before your Lordships is whether, by reason of his status as a former head of state, Senator Pinochet is immune from the criminal processes of this country, of which extradition forms a part. Arguments about the effect on this country's diplomatic relations with Chile if extradition were allowed to proceed, or with Spain if refused, are not matters for the court. These are, par excellence, political matters for consideration by the Secretary of State in the exercise of his discretion under section 12 of the Extradition Act."

That seems to be the point, and in view of that judgment, would it not be right for us to be able to question the Home Secretary on the use of what everyone agrees is very wide discretion? Many people here and in Chile feel that the affair has continued for long enough, and that the way forward is for the Home Secretary to use his discretion and bring the proceedings to an end.

Mr. Dale Campbell-Savours (Workington) *rose—*

Madam Speaker: Order. I thank the hon. Gentleman, and I know that he wants to be helpful, but I am quite capable of giving a ruling. I have heard points of order from both sides, and I am well able to cope with them. As the House of Lords has decided that Senator Pinochet does not have immunity from prosecution, extradition proceedings against the senator are still pending.

I remind the House that our sub judice resolutions—to which I drew the House's attention previously and which can be found in the Standing Orders—require that there should be no comment on matters awaiting jurisdiction in the courts. The courts may have to decide whether the evidence against the senator is sufficient to warrant his trial in Spain. The matter of the charges against him therefore remains sub judice.

Again, I reassure the House that, as soon as the issue ceases to be sub judice, I know that the Home Secretary will take the first opportunity to make a statement to the House, and it will be open to all hon. Members to question him and debate the issue. Until then, the sub judice rule remains.

Mr. David Willetts (Havant): On a separate point of order, Madam Speaker. May I have your guidance on ministerial attendance at the debate on the Address? Is it not customary for Cabinet Ministers to reply to the debate? The Secretary of State for Education and Employment faxed me a letter this morning explaining that he would not be speaking in this evening's debate, despite the fact that it is on industry, education and employment, because he has to speak tomorrow at the annual conference of the Association of Colleges in Harrogate. The programme shows that he is speaking there at 12 noon, but I am speaking at 10.10 am and the hon. Member for Bath (Mr. Foster) is speaking at 9.50 am. If we can still debate here tonight, why cannot the Secretary of State?

Madam Speaker: As the hon. Gentleman is aware, I have no authority in determining which Ministers handle debates in the House, but I have the feeling of the House and will address the point in general. The House wishes a Secretary of State to be on the Front Bench during a major debate appertaining to the departmental portfolio. As for my personal feelings on the matter, I understand that Secretaries of State have urgent business elsewhere, but unless there is a matter of utmost urgency elsewhere, I believe that the House always takes priority.

BILL PRESENTED

Water Industry

Mr. Secretary Prescott, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Mr. Secretary Dewar, Mr. Secretary Dobson, Mr. Secretary Darling, Mr. Secretary Michael, Mr. Michael Meacher and Mr. Alan Meale, presented a Bill to make further provision in relation to England and Wales as to charges in respect of the supply of water and the provision of sewerage services and to make provision in relation to Scotland for the establishment and functions of a Water Industry Commissioner for Scotland; and for connected purposes: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed [Bill 1].

Orders of the Day

Debate on the Address

[SECOND DAY]

Order read for resuming adjourned debate on Question [24 November],

That an humble Address be presented to Her Majesty, as follows:—

Most Gracious Sovereign.

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament—*[Mr. Ashton.]*

Question again proposed.

Trade, Industry, Education and Employment

3.39 pm

The Secretary of State for Trade and Industry (Mr. Peter Mandelson): This Queen's Speech has one overriding theme—modernisation. We are modernising the country, its system of government, its public sector and the economy. We are modernising education, the health service, the welfare system, the relationship between Government and business, and the fight against crime. That is precisely the programme for which the British people voted. The change that they wanted is the change that they are getting from a changed Labour party.

Any attempt seriously to challenge or pick apart what the Government are doing was conspicuous by its absence from the Leader of the Opposition's speech yesterday, which, by the way, I thought was better than a sixth-form debating society speech—it was more an after-dinner speech.

I am sure that the right hon. Member for Wokingham (Mr. Redwood), the shadow Trade and Industry Secretary, would agree with me about that. He fancies himself as the more substantial, cerebral, worldly and charismatic leader—the Newt Gingrich of the Conservative party. I can hear him up at the Dispatch Box—the Press Gallery full, the fanatical cry of the true believers behind him—as he tears into the Government's intellectual inconsistencies and ideological inexactitudes.

Alas, it was not to be. The man who made it to the Dispatch Box was not the pretender but the leader himself, of whom the right hon. Gentleman once said:

"I've had more interesting conversations with a bathroom sponge."

Mr. John Redwood (Wokingham): Will the right hon. Gentleman immediately withdraw that preposterous comment, which I never made? Will he accept that I thought that the Leader of the Opposition gave a superb speech yesterday, which tore the Government to shreds? The right hon. Gentleman should heed my right hon. Friend's message.

Mr. Mandelson: I think that the right hon. Gentleman has thrown in the towel already. He should not allow himself to be goaded so easily. On hearing the result of the Conservative party leadership election, he said that the worst of all six candidates had been chosen.

Mr. Redwood *rose—*

Mr. Mandelson: A denial?

Mr. Redwood: That was another misstatement by the right hon. Gentleman.

Mr. Mandelson: What a way to speak of one's leader. We certainly would not get away with it in our party—the men in the dark would not stand for it.

What, after the rhetoric was finished, was left of the bathroom sponge? In my view, there was very little. The Conservatives cannot oppose the investment and reform in schools. They do not dare oppose the money for and change to the national health service. They would not

[Mr. Mandelson]

know where to start in presenting an alternative to welfare reform and, in the fight against crime, they are precisely nowhere.

That is not surprising from a party that, in 18 long years, talked a good game but travelled backwards. It has now decided to win back the political middle ground by lurching further to the right. In the process, it has offered no new ideas, no shred of analysis and no proposals to modernise Britain—nothing, zero, zilch. While the Government modernise, they sloganise.

The Government will stick to their guns. We will not be deflected—however many battalions of hereditary peers are thrown in our way—from our programme to strengthen democracy, to create opportunity and higher living standards and to bring about improvement for the many and not the few.

The Government's legislative programme for this Session is founded on the twin themes of modernisation and fairness. Labour's first Session in government for 18 years saw an unprecedented programme of legislation—47 Acts of Parliament in 18 months. My Department has been at the heart of that effort.

What a contrast with the previous Administration. In the two Sessions before the election in May last year, the Department of Trade and Industry took through just two programmed Bills—just two. In the Session that has just gone, we put five Acts on to the statute book.

The Competition Act 1998 will finally reform a competition regime that was widely regarded as out of date, toothless and badly in need of a rethink. We did that—the Tories promised to do so, but delivered nothing. Now, of course, the right hon. Member for Wokingham claims that he never supported that reform anyway. How comforting that must be to business—to know that all the time he was representing their interests as the Minister responsible for competition, he never actually believed in it.

The National Minimum Wage Act 1998 is a key part of the Government's commitment to fairness and decent minimum standards. The Wireless Telegraphy Act 1998 will encourage the efficient use of an increasingly scarce resource which will be vital to our drive to build a business environment that fosters innovation and encourages enterprise in the information age. The Fossil Fuel Levy Act 1998 is a clear commitment to the promotion of renewable energy sources. Last but not least, the Late Payment of Commercial Debts Act 1998 establishes the principle that small firms cannot and should not be bullied by larger competitors. Five Acts were initiated from my Department, Madam Speaker, compared to none at all from the Conservative Government in the Session before the election.

Our commitment to legislation which is based on modernisation and fairness will continue in the coming Session. First, we will aim to modernise employee relations so as to promote partnership at work and underpin a flexible and efficient labour market. What is clear to everyone bar the Conservative party is that workplaces where there is mutual respect and minimum standards of protection, safety and consultation, work better and more productively.

If businesses are to be competitive, to innovate and to anticipate their customers' needs, they need the whole-hearted commitment of their employees. That commitment will be given by people who feel that they are treated reasonably and fairly. That underpins our proposed legislation.

We will introduce a forward-looking Bill to modernise our framework of employment law. The Bill will honour all the commitments that we gave in the White Paper which we published earlier this year. It will address family-friendly employment practices, to reflect the fact that the labour market is changing and needs more, not less, flexibility to enable men and women to cope with home and work; it will provide new rights for individuals at work, including greater protection against unfair dismissal; and establish a new statutory procedure for the recognition of trade unions.

We have listened carefully to all the responses to the White Paper, and they have helped us to develop and to refine the detail; to fill in the gaps; to ensure that the proposals will work well and strike a fair balance; and, yes, to give reassurance, where justified, to employers who are understandably concerned about the impact of the proposed legislation on their businesses.

Let me make this further point, too. Our measures are well judged for our country's needs. Others in Europe may have their own views on what is appropriate for their domestic needs. In this matter of collective rights and workplace relations, where there are wide differences of practice between member states, subsidiarity is important—that means each acting according to his own need and his own willingness to sign up. I would like all in the European Union to respect that principle in employment and social legislation.

Mr. Christopher Gill (Ludlow) *rose—*

Mr. John Bercow (Buckingham) *rose—*

Mr. Mandelson: The second item of proposed legislation being prepared by my Department goes to the heart of Britain's economic future—the harnessing of the internet to business, and the contribution that electronic commerce will make to our competitiveness. Electronic commerce is radically changing the nature of individual businesses, markets and entire economies. However, most of our laws—in the United Kingdom and elsewhere—were designed to regulate the trade in physical goods. The countries that first succeed in adapting their legal and regulatory environment to the requirements of electronic commerce will achieve all the advantages of the first mover. We must be the trail-blazers, at the front of the pack.

There is a hugely important leadership role for my Department in partnership with the private sector. It must become nothing short of a national crusade for Britain to become world leaders in internet business and in generating electronic profits. That is why the Government have set the ambitious goal of creating in the United Kingdom the best environment in the world for electronic trading by 2002.

The White Paper on competitiveness, which I shall publish shortly, will set out our strategy for achieving that. At its heart will be legislation to ensure that businesses and consumers have the same confidence in electronic transactions as they do in pen-and-paper agreements.

Mr. John Hayes (South Holland and The Deepings): Will the Secretary of State give way?

Mr. Mandelson: No.

Those exciting developments are part of the fast evolving knowledge economy. With ever greater computing power and more connected, more international networks, the result is global competition on a vast scale, with low barriers to market entry and mind-boggling innovation.

Mr. Bercow: Will the Secretary of State give way?

Mr. Mandelson: No.

For the weak and uncompetitive in our economy, for those who are unwilling to change, this revolution will pose a threat. Only for the competitive and strong, for those who are open to new ideas, it presents a major opportunity.

Mr. Hayes: Will the Secretary of State give way?

Mr. Mandelson: No.

Mr. Owen Paterson (North Shropshire): On a point of order, Madam Speaker.

Madam Speaker: I fear that it will be a point of frustration.

Mr. Paterson: Correct, Madam Speaker. I have been in the House only 18 months, but I understand that it is the convention that one does not interrupt a ministerial statement but that one is allowed to ask to intervene during a debate. Is this a statement or a debate?

Madam Speaker: This is undoubtedly a debate, but of course it is for the Minister or whoever has the Floor to determine whether to accept an intervention. That is not a matter for the Chair.

Mr. Mandelson: It is for all the reasons that I have given that we put so much stress on raising companies' competitiveness. To create and safeguard the employment that we need, we must ensure that the weak in our economy become the strong. Let us be clear: the knowledge revolution is not a revolution of an elite of knowledge-based services or high-tech businesses. It applies to such businesses, of course, but it applies to all businesses: to large and small; to manufacturing and services in all parts of the country.

Some question the relevance of the knowledge economy to manufacturing, but they forget about design, product control, market creation, marketing itself and best practice management, all of which require knowledge workers. To take an example that is topical this afternoon, farming is still one of the most manual of industries, but many modern tractors are mobile offices, and some even have satellite location devices installed.

The truth is that competitive advantage increasingly depends on knowledge: on new ideas for new products. Better use of knowledge means designing products that better suit customers' needs, creating less pollution, higher profits and more rewarding jobs. *[Interruption.]*

Mr. Bercow *rose—*

Mr. Paterson *rose—*

Mr. Mandelson: It does not surprise me that Opposition Front Benchers have no interest in the future of the economy. They are chattering among themselves. To give them the chance to recover their posture, I shall give way, not to the hon. Member for Buckingham (Mr. Bercow) but to the hon. Member for North Shropshire (Mr. Paterson), who is wearing a more highly coloured tie.

Mr. Paterson: I am touched by the compliment to my tie, but I wish to bring the Secretary of State back to the subject of the debate—trade and industry. Why do countries that have pursued the employment policies pushed through by his Government have levels of unemployment two or three times higher than those of this country, which is enjoying the benefits of the policies of the previous Government?

Mr. Mandelson: The hon. Gentleman must realise that we have no intention of introducing any legislation that presents a burden on business and reduces the competitiveness of British firms. Our aim in employment legislation is simply to increase flexibility in our labour market and also—I am sorry it is an alien concept to Conservative Members—to introduce an element of fairness and minimum standards of safety and protection for people who work in this country. I do not expect the hon. Gentleman to support that, given what he believes in and the party to which he belongs, but that is what we believe in and what we intend to do.

Mr. Bercow *rose—*

Mr. Graham Brady (Altrincham and Sale, West) *rose—*

Mr. Mandelson: I shall give way to the hon. Member for Altrincham and Sale, West (Mr. Brady).

Mr. Brady: I am grateful to the Secretary of State for giving way to me. My hon. Friend the Member for Buckingham (Mr. Bercow) is performing a service for other Opposition Members who wish to intervene.

The Secretary of State suggested that he has no intention of adding costs to industry, which bemused Conservative Members. Has he read the submission by the Engineering Employers Federation to the Department of Trade and Industry about the enormous complexity of the regulations on the national minimum wage, and does he accept that there is a problem?

Mr. Mandelson: I do not know what the problem is to which the hon. Gentleman refers. The Confederation of British Industry has made it clear that it is content with the way in which the Government have introduced the national minimum wage, and it has co-operated with us throughout. The CBI and others are now considering the draft regulations that we have published which will cover the implementation and enforcement of the national minimum wage. We look forward to hearing everyone's views in the consultation, and I assure the hon. Gentleman and the House that every comment and observation submitted to my Department about those regulations will be carefully considered.

Mr. Bercow *rose—*

Mr. Barry Sheerman (Huddersfield) *rose—*

Mr. Mandelson: I give way to my hon. Friend.

Mr. Sheerman: The Opposition have brought the Engineering Employers Federation into the debate,

[Mr. Sheerman]

but those of us who regularly meet its representatives hear what they say about the inheritance of 18 years of failure to educate and train people in the new technologies. That is the real burden that our industry faces, especially engineering. It faces the lack of modern apprenticeships and not enough well-trained workers. That deficiency in skill levels is undermining our performance and it is an inheritance from that lot—the Conservatives—who have nothing to boast about.

Mr. Mandelson: Yes, and every business and employers' organisation I talk to knows that we have to make up for the lost time under the previous Administration. Those businesses and employers organisations have a profound understanding of where our economy is going and the challenges posed to every business by the creation of a knowledge-driven economy.

Mr. Bercow *rose—*

Mr. Phil Willis (Harrogate and Knaresborough) *rose—*

Mr. Mandelson: I shall give way to the hon. Member for Harrogate and Knaresborough (Mr. Willis).

Mr. Willis: I am grateful to the Secretary of State for giving way and for bringing into the debate some of the real issues, one of which is the knowledge capital that we need for the next millennium. Why did not the Government include in the Gracious Speech a Bill to cover lifelong learning, especially as they published a Green Paper about it in the previous Session? Such a Bill should be at the heart of the Government's intentions for the development of human capital, and would address the point made by the hon. Member for Huddersfield (Mr. Sheerman).

Mr. Mandelson: The very important initiative that was heralded by the lifelong learning Green Paper is already up and running. It has already been established that the headquarters of the university for industry will be in Sheffield. That represents an extremely important step forward for the knowledge capital to which the hon. Gentleman is referring. It creates huge opportunities for many millions of people in this country.

We need only look at the sources of competitiveness and lower costs that come from the development of the knowledge-driven economy. For example, General Motors saved $1.5 million on painting costs through the better use of information, and the General Electric Lighting company secured a 30 per cent. cut in procurement labour costs through internet purchasing.

In common with companies, countries need to stay ahead of the game or they will be replaced by new entrants.

Mr. Barry Jones (Alyn and Deeside): Will my right hon. Friend give way?

Mr. Mandelson: If my hon. Friend will allow me, I wish to make some more progress.

The forthcoming White Paper will set out how the Government plan to help build a knowledge-driven economy, to put the future on Britain's side and to reverse this country's economic decline of the past 20 years or more. It will set out what we are doing to enhance the capability of business, how we plan to help businesses to collaborate with each other to compete and to collaborate with others in the public sector and in education, and how competitive markets should drive innovation and enterprise.

Caroline Flint (Don Valley): Will my right hon. Friend give way?

Mr. Mandelson: Let me make some more progress.

We have strengths on which to build in this country. We have a world-class science base, we have enterprising people—many with the right skills, but others willing to acquire them—and we have a strong digital infrastructure.

The Government are playing their part, with £1.4 billion additional funding in science announced in the comprehensive spending review, a programme of investment in education that is one of the largest committed by any Government anywhere and a programme to build up the skills of those starting new and innovative businesses. I set Business Links a challenge to support 10,000 such businesses a year by 2002. We are developing more imaginative ways of financing growth businesses and new measures to spread the adoption of digital technologies by small and medium-sized firms.

To underpin all those measures, we need a culture change to support enterprise, to applaud success and to remove the stigma of honest failure. Here again, the Government must give a stronger lead, and I shall be announcing measures to address that aspect, too.

This is not about Government telling business what to do. It is important that we lead through our own activities, in particular by working towards the Prime Minister's target that 25 per cent. of Government services should be available electronically by 2002. I stress that the greatest contribution the Government can make to enterprise is by ensuring that open and transparent markets provide the spur to business to innovate and become competitive. That is a key role and responsibility of the Department of Trade and Industry. We must ensure that all our policies—across the board—promote innovation and risk-taking, and help build the knowledge-driven economy in which enterprise flourishes.

When I spoke of the knowledge-driven economy and the importance of electronic commerce in our previous debate, the right hon. Member for Wokingham, the shadow spokesman, shouted, "Rubbish" and, "Claptrap." That is not surprising from someone who inhabits Planet Zog and remains blissfully unaware of the conditions and challenges facing business in the real world. I believe that he is wrong. In fact, he is more than wrong; he is being quite stupid. He refuses to see the opportunity that the information age and the knowledge-driven economy present to reverse the long years of decline that the Tories did nothing to prevent.

We are not going to take chances with Britain's future.

Mr. Barry Jones: Will my right hon. Friend please give way?

Mr. Mandelson: In advance of the White Paper—

Hon. Members: Give way.

Mr. Jones: Will my right hon. Friend please give way?

Mr. Mandelson: I will give way soon if my hon. Friend will allow me to continue for the moment.

In advance of the White Paper, I can announce the Prime Minister's decision to appoint a high-ranking digital envoy—*[Laughter.]* See how the Tories laugh. They are locked somewhere in the last century and they have not the faintest idea of what is happening in the real economy, and not one idea or one shred of analysis to support the sort of economy that we must create.

Mr. Bercow: Will the right hon. Gentleman give way?

Mr. Mandelson: Locked in the past, locked in the past, locked in the past.

The Prime Minister is absolutely right to appoint a person to help prepare Britain for and to lead us into the digital future. That individual will speak for the United Kingdom in the international arena, will promote the United Kingdom as a global hub for electronic commerce business and investment, and will drive forward the cross-Government strategy for electronic commerce that I shall set out in the forthcoming White Paper. The advertisement for the new post will be in next week's press, but the shadow Secretary of State need not apply, as he seems far from looking to the future. We want someone who can look to the future, not someone who prefers to play politics with the nation's future and to talk down our economic prospects, as the right hon. Gentleman persistently does.

Mr. Barry Jones: I appreciate my right hon. Friend's cogent speech, and I enjoy his teasing of his shadow. May I tell him, however, of the sense of dread in the British steel industry? The problem appears to be the dumping of steel products from the far east, which is putting many of our largest steel works at a great disadvantage. Can the Government intervene to urge the European Commission to do something about such dumping?

Mr. Mandelson: My hon. Friend raises an issue that is of great concern to the steel industry and its employees. I recently met Sir Brian Moffat, the chairman of British Steel, and the executive heads of the British Iron and Steel Producers Association. I learned at first hand the extremely difficult trading conditions that they face, and I heard the allegations that have been made of unfair trading and dumping by some countries. I have invited them to submit details to the Department of Trade and Industry, and to the competent body—the Commission of the European Union. It is for others to submit such details and allegations, but I shall ensure that allegations are properly examined, and that where action can and should be taken, everything will be done to ensure that it is.

I want to return to what the Opposition have said in the past. They have not said it today, but the shadow Secretary of State will no doubt remedy that fact when he rises to trot out the same tired phrases warning of economic catastrophe and disaster.

Mr. Bercow: Will the Secretary of State give way?

Mr. Paterson: Will the Secretary of State give way?

Mr. Mandelson: I have given way once already to the hon. Member for North Shropshire, and I do not think that he should come back for a second go.

The shadow Secretary of State will accuse the Government not only of selling out the British economy, but of fiddling the figures and of making up the productivity gap, which, in fact, as everyone knows and as every independent commentator acknowledges, separates us from our competitors. *[Interruption.]* It is amazing how quickly after leaving office the Conservatives have ceased to resemble a governing party, and how hard they find it to muster the credibility needed by any half-decent official Opposition. Nowhere—

Mr. Bercow *rose—*

Mr. Mandelson: The hon. Gentleman may want to intervene later, because I was about to say that nowhere is that lack of credibility more demonstrated by the Opposition than in relation to Europe. The European Union gives the United Kingdom access to a market of 370 million consumers—it is by far our largest market. That is why, even though we will not be joining the economic and monetary union on 1 January, we are determined to work towards its successful introduction. Should it be in our economic interests to do so, and should Parliament and the people give their assent, we have made it clear that we believe that Britain should join. The Opposition are in a terrible mess.

Mr. Stephen Dorrell (Charnwood): The Secretary of State is dealing with an issue that is important for this country's future economic performance: the relationship between this country and Europe. The question for the Government is whether it is their policy to create convergence between this country and the member states of the euro. If not, do they believe that convergence circumstances could come about without that being their explicit policy?

Mr. Mandelson: It is certainly the case that one cannot create convergence between economies artificially by means of contrived accounting. There must be real convergence. Most people would agree that objective circumstances are leading us towards convergence and, indeed, the economic policies and strategies that the Government are pursuing are assisting that process. I have not the faintest idea whether that is welcome to the right hon. Gentleman, because he has adopted a number of positions on the single currency and it is Wednesday today, so I do not know what position he may be holding.

Mr. David Chidgey (Eastleigh): Perhaps we could draw the debate back to the Government's position on the euro. I believe that I am right in saying that the right hon. Gentleman said that, when it was in Britain's economic interests to join, it would be the Government's policy to recommend that process. Will he advise the House of any scenario in which he felt it might not be in Britain's economic interests to join the euro?

Mr. Mandelson: If the convergence of our economies has not been achieved and if, in our opinion, the objective economic circumstances and the necessary structural reforms and flexibilities that need to exist throughout the economies of Europe have not yet been achieved. We have to fulfil all those tests. Those are important questions for us to answer, and answer them we will, but not now; we will do so in due course, when the economic

[Mr. Mandelson]

circumstances arise and when it is in our economic interests to do so. In the meantime, we will do what any half-intelligent Government would do, which is to prepare for the eventuality of our entry to the single currency so that, if and when we are in a position to enter it, we can put that choice to Parliament and the British people, who can then take that decision to go in. For us to do so successfully, British business must have prepared beforehand.

Mr. Geraint Davies (Croydon, Central): While I agree with the Government's policy, does my right hon. Friend agree with the 114 leading business men representing 20 FTSE companies, who put their names to a statement in the *Financial Times* on Monday and who said that the best policy for Britain would be one based on the assumption that we will join the single currency? The reverse would be that, if we proceed on the assumption that we will not join, there will be massive disinvestment in British industry.

Mr. Mandelson: We have to take very seriously the views of British business and, in particular, the views of those business people who signed the advertisement and made that statement, because they are operating not in the pursuit of some right-wing political ideology but in the interests of their business, and therefore the economic interests of this country. I talk to business men a lot—both to the mildly pro-Europe and the mildly anti. What unites them is their complete bewilderment and bemusement at the mess that the Opposition are in on the subject. We have only to listen to them on the subject. Some in the Conservative party say, "No single currency for 10 years." Others say, "Not in our lifetime." Given the average age of Conservative association members, I do not know which is the more Euro-sceptic position.

Mr. Bercow: Will the right hon. Gentleman give way?

Mr. Mandelson: No.

I want to be clear about this, too, and I emphasise it: if economic and monetary union is to be successful, there must be a flexible, competitive Europe and comprehensive structural reform in Europe's labour, product and capital markets. That is an absolutely indispensable condition for EMU to be launched successfully and on a sustainable basis. That is what we argued in our presidency, and it is what we shall continue to fight for through the processes agreed at the Cardiff summit.

I welcome the wide support across Europe for that agenda of structural reform, which has been voiced by Chancellor Schröder, Massimo D'Alema, the new Italian Prime Minister, and Dominique Strauss-Kahn in France. That unity of view, and that degree of consensus about the need for structural reform—economic reform—in Europe if the single currency is to be a success, is the most striking feature of the current political scene.

Caroline Flint: My right hon. Friend may be aware that there is a lobby of Parliament today by textile workers. In relation to textiles and his argument about Europe, will his Department consider encouraging innovation in our small and medium textile enterprises? Italy, for example, supports its textiles and clothing industry. This country has 350,000 workers in that industry, but many are in small and medium enterprises which need the thrust of the Government to support innovation and competition. I hope that we can learn something from our European neighbours.

Mr. Mandelson: I could not agree more with my hon. Friend about the importance and the potential of that industry. I am glad to tell the House that my hon. Friend the Minister for Energy and Industry only yesterday met representatives of the employers and of the trade unions, all of whom share that strong commitment to the future of the textiles industry. My Department stands by to assist them in all their efforts and to do everything that it can to make sure that the industry has a successful and prosperous future.

When we took office, we apparently inherited a golden economic legacy. [HON. MEMBERS: "Hear, hear."] Conservative Members never tire of cheering that. They tell us that they left us a Ferrari of an economy—some Ferrari.

Mr. Redwood: Will the right hon. Gentleman give way?

Mr. Mandelson: The Conservatives had put the economy up on blocks, stuck it in reverse and taken a large number of miles off the clock.

Mr. Redwood: I am grateful to the right hon. Gentleman for giving way. In 1995, BMW-Rover said that Britain was the best place, bar none, in Europe for investment in the motor industry. When the Conservatives left office, the investment was proceeding and the company was profitable. Why is it now losing heavily? Why is there a crisis at Longbridge? Have not the Government's mistakes caused that?

Mr. Mandelson: The right hon. Gentleman may not have noticed that the Government do not own or run Rover; Rover owns and runs Rover, and that is how it will remain. I am sorry about what has happened to Rover, because it is an excellent company with great potential, but its slide in relative productivity did not start on 2 May 1997. It has its roots in lack of strategic grip and poor management decision making. Management decision making should have got on top of the situation a long time ago, before it created the difficult circumstances and conditions that now face the company.

I am glad that management and work force at Rover are now joined in a firm commitment to achieve changes and restructuring in the company to make sure that it has a future. The Government have stood by and helped to facilitate those important discussions within Rover, and we shall continue to do so. We shall give whatever support it is sensible and appropriate for us to give to ensure that those changes take place.

Mr. Bercow: Will the Minister give way?

Mr. Mandelson: Well, I—[HON. MEMBERS: "No."] I give the casting vote to the Speaker, who has given me the nod.

Mr. Bercow: I am most grateful to the right hon. Gentleman for reluctantly giving way.

If the Minister is as concerned about competitiveness and regulation as he claimed earlier in his speech, why did he have the brass neck, on 4 November, to dismiss the CBI's estimate of an annual cost of £200 million for the parental leave directive as "a tiny fraction" of business costs? Why was he unaware that his Department had produced an alternative estimate of £55 million a year? Why was he so palpably ignorant of the matters for which he is ministerially responsible to this House?

Mr. Mandelson: That is a very important question, and it was well worth waiting for. I do not dismiss £200 million lightly, without coupling it with the observation—as I did—that employers and their representatives in Europe joined hands with trade union representatives in agreeing that the measures be adopted.

Mr. Bercow *indicated dissent.*

Mr. Mandelson: I am sorry if the hon. Gentleman cannot agree, but that is his Euro-sceptic privilege. He agrees with nothing that comes within a million miles of the European Commission. An agreed measure was proposed, and this country would do well to implement it.

The right hon. Member for Wokingham is doubtless about to leap to his feet to disown the previous Government's record in office, as he spent our last debate doing, and say, "Not my fault, guv. All the others' doing. I was nowhere near the clot when the decisions were taken." I do not know what the right hon. Member for Huntingdon (Mr. Major), who is lurking on the Back Benches ready to intervene, will have to say about that. Incidentally, the entire House will join me in offering him our sincere congratulations on his new honour.

I for one am sick of the Tories disowning their record: macro-economic instability; a relentless cycle of boom and bust, which cost a million jobs every time they had to slam on the brakes; a huge productivity gap; a real performance shortfall, with no statistical fiddle, as the right hon. Member for Wokingham asserts; and a culture of social exclusion, with millions throughout the land cast aside with no skills, education, jobs or hope. Those people had a vote, and they used it at the last election. We started immediately to put things back together again.

I do not pretend that all is rosy in the economy. Anyone with half an eye on the world economy, a quarter of which is now experiencing recession, knows that all is not rosy. However, despite the Asian crisis, Britain's exports to Europe and the United States continue to grow in both value and volume. Employment rose by 124,000 in the three months to September, and we continue to attract record inward investment. This week, the *Economist* intelligence unit—not Millbank—announced that we remain one of the most favourable locations for investment in the world. The right hon. Gentleman may be interested to know that it cited, in particular, Labour Britain's business-friendly climate, the sophistication of our capital markets and the fact that our labour market will remain one of the most flexible in the world as the reasons for our continuing to be a number one target for inward investment.

We have made it clear in the legislative plans announced in the Gracious Speech that this country's future depends on realising the potential of our people. It is no longer acceptable to write off one third of the population through sheer neglect. They deserve better. We began to provide that on 2 May 1997, and we shall continue to do so in the coming Session.

4.25 pm

Mr. John Redwood (Wokingham): We are thrice blessed in this debate. We are blessed with the presence of the Minister of State, the hon. Member for Makerfield (Mr. McCartney), who is listening attentively. *The Spectator* named him a parliamentarian of the year in the award ceremony earlier today. I am sure that we all want to congratulate him. He may need our commiserations, because I understand that he is the "Minister to Watch". Some Ministers who are watched too closely never recover from the experience, but it is perhaps the Secretary of State who should watch out, because the Minister of State has shown himself to be a formidable performer over the years.

Our second blessing is the participation of my hon. Friend the Member for Buckingham (Mr. Bercow). I am not surprised that the Secretary of State was so reluctant to take his interventions, because he won the award of "Back Bencher to Watch". I have been watching him for a long time, and I like what I see. He is not afraid to tell the truth and to threaten the Government. *[Interruption.]* Before Labour Members get too excited, I should point out that they were part of the conspiracy to close my hon. Friend down in this important debate. They knew that he would put the Secretary of State on the spot, so they had to give him some cover and protection.

Our third blessing is that we are honoured with the presence of the Secretary of State, on his most recent visit from cyberspace. He delivered a virtual speech. I wondered whether the parade of platitudes would ever end, and whether he would mention British industry. We had to drag it out of him by interventions and questions. He even seemed tired of his own monotonous tone of voice. It was a dreadful performance from the Secretary of State, and it will not go unnoticed in the industrial heartlands of this country.

The Minister for Energy and Industry (Mr. John Battle): It says here.

Mr. Redwood: The Minister of State believes that my remarks are scripted. How could they possibly be scripted when I am responding to the debate from notes I made during the Secretary of State's speech, so that I do him no conceivable injustice? When I have finished with this sheet, the Minister is welcome to inspect it to see that I came, I listened and I discovered that the speech was sadly lacking in any substance, any hope for British industry or any sign that the Secretary of State understands why British manufacturers are struggling.

The shadow Minister of State, my hon. Friend the Member for Daventry (Mr. Boswell), said in a debate the other day that what we see of the Government's attitude to manufacturing industry is

"four soundbites and a funeral."—[*Official Report*, 10 November 1998; Vol. 319, c. 197.]

Once again, the Secretary of State came to the House to perform the last rites. So worried is he about the state of manufacturing industry, that he can get through an entire script—although not all the interventions—without mentioning British manufacturing or British industry.

[Mr. Redwood]

There was no mention of the textile workers on a lobby, and no mention of the plight of British steel. *[Interruption.]* I just said that there were interventions on these matters, but there was no mention in the Secretary of State's text of the textile and steel industries, and his only reference to the motor car industry was an attempted joke at the expense of the previous Government.

The Secretary of State does not care about basic manufacturing industry, about closures or about the damage that his policies are doing. He said that the Opposition have no policies to modernise Britain. That is grossly unfair. In the area over which the Secretary of State and I spar, the Opposition are coming up with imaginative ideas that could make a difference and improve life. Why is the Secretary of State still unable to say whether he will introduce competition into the water industry? We have set out a way of doing that. That important monopoly industry needs the competitive challenge. If he is so keen on competition, why will he not answer our question, and why will he not back our plan?

When will the right hon. Gentleman respond to our plans for the Post Office? Why must we wait for month after month, with our Post Office unable to compete properly because its hands are tied behind its back by the Secretary of State's lack of a policy? When will his right hon. Friend the Secretary of State for the Environment, Transport and the Regions produce policies aimed at raising significant private finance for the tube system, which desperately needs new investment and has been starved of cash by this miserable Government?

Yvette Cooper (Pontefract and Castleford): While the right hon. Gentleman is talking about policy, perhaps he can clear up a key policy issue that greatly concerns British industry.

Yesterday, the right hon. Gentleman shook his head vigorously when the Prime Minister suggested that his party wanted to reverse Bank of England independence. Perhaps he will clear up that point of principle now. Does he support the deputy leader of his party, who said that interest rate decisions should be made by the Chancellor and not by the Bank of England?

Mr. Redwood: I shook my head at the Prime Minister's pathetic performance in response to the formidable performance of my right hon. Friend the Leader of the Opposition—although their respective performances did not surprise me.

I have been very clear about my position, the position of my right hon. Friend the Leader of the Opposition and the position of all members of the shadow Cabinet in regard to the Bank of England. We opposed granting it independence. We said that that would be very damaging, and we were right: so far, it has proved very damaging to British business. In 2001 or thereabouts, when we have a general election, we will tell the hon. Lady and her colleagues what is the right policy for 2002. She can read nothing into that answer, except that the Opposition have been right so far. They have opposed the independence of the Bank of England vigorously, because so far it has been wrong. But of course we shall look carefully at the situation in 2001, when there will be so many things to put right that we shall have to choose which to put right first.

Mr. Dale Campbell-Savours (Workington): Perhaps I can raise another sensitive little subject. If the euro were to succeed, and if the European countries benefited generally from its introduction, would the Conservative party go into the next general election on the basis of wholesale opposition and refusal to join the currency?

Mr. Redwood: There is no way in which a case for the success of the euro can be proved by the time of the next election. The euro notes and coin will not even be in circulation by that time. We are saying that we should not rush in. We should see the euro through at least a complete economic cycle. We must see the whole scheme up and running—and that means the notes and coin as well as the bank accounts and the invoicing, which will go ahead on a random basis from the beginning of January next year, depending on the choice of agents and companies on the continent.

The hon. Gentleman is right in supposing that the Conservative party will go proudly into the next election saying no to the euro for the following Parliament, because it would be too risky for the United Kingdom—for her businesses and her democracy—to join the scheme on such a time scale. I only wish that the Labour party had the courage to put the matter to the British people now. We would love to fight the referendum now: the Conservatives would achieve a spectacular result, and British business could then be relieved of its uncertainty. The Government should understand that that uncertainty is caused by their ridiculous policy. They say that they wish to join the European currency—

Mr. Bercow: Will my right hon. Friend give way?

Mr. Mandelson: Give way.

Mr. Redwood: The Secretary of State will know that, unlike him, I am going to give way at any minute, but I am making an important point. The Government should know that the uncertainty is of their making. Business does not know whether to spend £10 billion or £15 billion on preparing for the euro as our currency—because the Government say that in principle they want it—or whether to take our advice, and decide that the Government will not win the election or the referendum and that it is therefore better to save the money. That is the uncertainty that the Government are creating for business.

Mr. Bercow: I am grateful to my right hon. Friend for his characteristically generous remarks a few moments ago.

Does my right hon. Friend not think it extraordinary that, for all his ostensible enthusiasm for the United States economy, the Secretary of State, when challenged before the Trade and Industry Select Committee on 4 November about the merits of sunset regulation in the United States—whereby regulations lapse automatically after a period if they are not considered useful—said that he did not know what that meant?

Mr. Deputy Speaker (Mr. Michael J. Martin): Order.

Mr. Bercow: Does my right hon. Friend accept that, even at this late stage, he can educate the Secretary of State?

Mr. Deputy Speaker: Order. When I get to my feet, the hon. Gentleman must sit down.

Mr. Bercow: I have finished.

Mr. Deputy Speaker: I know that the hon. Gentleman has finished, because I have finished him. His interventions are far too long.

Mr. Redwood: My hon. Friend the Member for Buckingham made a very powerful point. It is amazing

that a Secretary of State who speaks the language of deregulation has no idea what a sunset regulation might be. It shows that he is not thinking the language of deregulation into action. The first thing that one learns when deregulating is to ensure that no regulation can last too long, and that a positive act must renew it if it can be demonstrated that it continues to be required.

The Secretary of State spent most of his speech on the subject of electronic commerce. He dared to say that the Opposition do not understand the importance of it, and implied that we do not wish the industry well. He should know that I come from the Thames valley, which is at the forefront of electronic commerce. I am extremely proud of my constituents' achievements in companies there. I can tell the Secretary of State this for nothing: they know a great deal more about electronic commerce than he ever will. They are already running very dramatic, profitable and successful businesses using electronic commerce, and the last thing they want from him is messy, meddlesome regulation which could make their task more difficult. He would be well advised to be careful before his regulation intrudes into a very successful and growing part of the British economy.

Mr. Mandelson: Will the right hon. Gentleman clear up something for me? He talks about messy, meddling intervention. Why, therefore, was it the Conservative party's policy when in office to introduce legislation on mandatory licensing?

Mr. Redwood: The form of that licensing did not result in preventing people from doing things that they wished to do, or restricting their action. It was put out to consultation. The issue before us is whether it is a good idea for the Secretary of State to press on with legislation which many in the industry think is half-baked, not thought through and potentially damaging.

Mr. Mandelson *rose—*

Mr. Redwood: I will give way when I have finished my point. The Secretary of State should know that the advice that I have taken so far from the industry is that the Bill is in search of a policy—as always with this DTI—and that the ideas so far are different from those of the previous Conservative Administration and would be damaging.

Mr. Mandelson: The proposed electronic commerce Bill will introduce a voluntary licensing regime for bodies providing electronic signature and confidentiality services. What is the Opposition's policy? Is it to stick with the unpopular policy that they had in government, or to support ours? Which is it?

Mr. Redwood: Our policy now is to be very careful about any legislation in this area and to be very critical of proposals that we think will emerge in the Bill. The Secretary of State is not in a position today to tell the House how he intends to regulate inscription and signature. I am very suspicious of him finding a way of doing so with any success. Assuming that he will not, I assure him that we shall oppose the legislation. Does he wish to intervene to clarify what he will do?

Mr. Mandelson: I just do not understand this. Where and when did this conversion take place, and for what reason? The previous Government proposed a policy of statutorily backed mandatory licensing. Why has the right hon. Gentleman changed his view?

Mr. Redwood: I do not seem to remember supporting that proposition at the time—*[Interruption.]* We have consulted widely on these matters. Trying to legislate successfully in the area would be hazardous. We shall be very critical of any Government proposal which we think could be damaging. I am quite sure that those who worked on the proposals under the previous Government would be very happy to explain what they had in mind, and will be free to table amendments in Committee to try to make the Bill more to our joint liking. According to my industry sources, the Government's proposals are a long way from the previous Government's original ideas and would be very damaging—*[Interruption.]*

Mr. Deputy Speaker: Order. The House must come to order.

Mr. Redwood *rose—*

Fiona Mactaggart (Slough): Will the right hon. Gentleman give way?

Mr. Redwood *indicated assent.*

Fiona Mactaggart: Does the right hon. Gentleman accept that businesses in the Thames valley might think from what he is saying that he is putting a higher priority on a petty attempt to put down the Secretary of State than on their future profitability? When I talk to them, I certainly expect that to be their interpretation of his remarks.

Mr. Redwood: I do not think that the hon. Lady understands the matter, either. I have consulted on the issue with businesses in and just outside my constituency, and have promised to represent their views. On both encryption and signature, they are very worried that even a permissive, voluntary system could damage their commercial interests. *[Interruption.]* The Secretary of State is not interested in the issue. He is making that quite clear by his juvenile sedentary interventions.

I assure the Secretary of State that the Opposition are very concerned that we must have the best possible climate in all senses—tax, regulation and general economic performance—for the success of the electronic commerce industry.

I assure the Secretary of State also that I am well aware that we are one of the world leaders in the industry. There are some things that we can learn from the United States, and some things that it can learn from us. There is work to be done on that. However, I am not yet satisfied that the measures that he will propose will help the cause of electronic commerce in Britain. He must allow me to reserve my scepticism until he can make a better case and tell us what he intends to do on the issues, with specific answers to specific questions.

Mr. Chidgey: Before the right hon. Gentleman leaves the point, will he tell us whether, in the previous

[Mr. Chidgey]

Government, on third-party confidentiality of encryption, he was ever a supporter of the concept that GCHQ should be the third party?

Mr. Redwood: I never expressed a view on that matter, which is very ancient history. It would be much better if the House concentrated on debating the present and the future rather than what might or might not have been said or done some years ago under the previous Government.

The Queen's Speech fails to deal with the pressing problems of British industry and commerce. It proposes taking power away from people and giving it to politicians. It puts Labour politicians first and people last. The public are not clamouring for reform of the House of Lords but demanding more jobs, and better schools and hospitals.

The Queen's Speech does absolutely nothing to stop the collapse in manufacturing industry that we are witnessing daily. There is nothing in it to prevent a single factory closure. Worst of all, under this Secretary of State, it threatens to undo much of the good that was done to United Kingdom industrial relations in the 1980s and 1990s.

We fear that the Queen's Speech will take us back to the bad old days, back to the bad old ways. I pay tribute to both Conservative Prime Ministers in the previous Government, one of whom is in the Chamber, for their success in changing the industrial relations climate and industrial relations law. *[Interruption.]* Yes, I warmly congratulate my right hon. Friend the Member for Huntingdon (Mr. Major) on his recent honour, which is a fitting tribute to, among other things, the contribution that the Conservative Government made to industrial peace and harmony—something which Labour could never achieve in its days in office in the 1970s.

Labour's Euro-election system is designed to take the power to choose a candidate from people and to give it to politicians. Labour's trade union changes are designed to take the power of choice from individual workers and to give it to trade union leaders. Labour's grammar school proposals are designed to take the power of choice from parents and pupils attending those schools—a power from which, in various capacities, many of us have benefited over the years. Labour's transport policy allows Ministers to circulate in ministerial cars in style, leaving the rest of us to hire taxis and to gridlock.

The Opposition offers a better vision of the future than the miserable vision on offer in the Queen's Speech. Our vision goes with the grain of human nature. It is one that trusts people to make more of their own choices, and strengthens rather than undermines people's democratic rights.

People are being let down by the Government's merciless assault on manufacturing. High interest rates, high sterling, high taxes and greater regulation are all making their impact felt. Day after day, we see job loss after job loss. Day after day, we see factory closure after factory closure—usually in the constituencies of Labour members.

Mr. Geraint Davies: The right hon. Gentleman mentioned high exchange rates. How would he control them? Does he agree with Oskar Lafontaine, the German Finance Minister, that there should be currency target zones? If not, how would he control exchange rates? Would he set the Monetary Policy Committee two targets, one for prices and one for exchange rates? If so, how would he overcome the conflicts inherent in those targets?

Mr. Redwood: When there was a Conservative Chancellor of the Exchequer prepared to take responsibility for these matters, he took the exchange rate into account when forming interest rate judgments—and did a rather better job for manufacturing in the mid-1990s before we lost office than the Labour Government are able to do through their independent central bank. I know which of those business would rather have at the moment. My advice to the Monetary Policy Committee and the Chancellor is to take into account the impact that the current mix of high taxes, high exchange rate and high interest rates is having on manufacturing, because it is clearly doing an enormous amount of damage.

During the past seven days, 1,000 jobs have gone at BTR Siebe and 268 at William Baird, and 1,600 are going at British Steel. What do the Government say in the Queen's Speech is the answer—that we should abolish hereditary peers in the House of Lords just in case they might be a voice for manufacturing. *[Interruption.]* Labour Members obviously do not like any disagreement with Government policy and the pager message. That is why they want to get rid of independent voices in the House of Lords. But they still cannot tell us what they will replace them with, because they do not want any independent voices in the House of Lords. When the other place has finished standing up for our right to choose a candidate in an election, I hope that it will stand up for the right of manufacturers to have a decent deal from this Government.

Mr. Christopher Leslie (Shipley): In the interests of industry at large, does the right hon. Gentleman believe that we should retain hereditary peers in the House of Lords?

Mr. Redwood: The Opposition have made it clear that the Government should not get rid of one part of the House of Lords until they have something better to put in its place. We would be happy to listen to what the Government have to say about a better solution. If they came up with one, I dare say we would welcome it. In the meantime, we are holding our own inquiry into the matter, which will run in parallel with the royal commission. It is nonsense to get rid of a chunk of the House of Lords before the royal commission has reported on how that can best be organised.

Since we last debated the crisis in manufacturing a few weeks ago, 600 jobs have gone at Ionica, 225 at Desmond and Sons, 100 at Sally Ferries, 300 at British Gas, 90 at ICI, 80 at Coopers Tools and 70 at Umbro—I could go on with a much longer list. A job goes every 10 minutes, but still the Secretary of State will do nothing. He will not even debate the issue in the House when we give him the opportunity to do so.

Yvette Cooper: If the right hon. Gentleman cares so much about job losses and unemployment, why does he want to abolish the new deal?

Mr. Redwood: Because it is not working. The Conservative Government got far more young people into

work and back to work under a sensible economic policy and without a new deal, at much less cost to the public purse, than the Government are doing at some cost to the public purse. The hon. Lady claims to know about Treasury affairs. Perhaps, unlike the Secretary of State, she has read the minutes of the MPC meetings over recent months. If she has, she will have noted that it was fears about the minimum wage and the increase in public spending that led to interest rates staying higher for longer than manufacturing could afford. She should be urging lower public spending, which is what our view on the new deal would achieve.

Yvette Cooper: While the right hon. Gentleman is on the subject of interest rates, is he aware that, if they rose to the 15 per cent. level that they were under his Government, that would cost British business an extra £28 billion? Is that the sort of interest rate setting policy to which he wants us to return?

Mr. Redwood: The Opposition do not want interest rates at that level. If the hon. Lady had been listening, she would know that my right hon. Friend the Leader of the Opposition and others have been urging lower rates, not higher. She may wish to reflect on the fact that, when interest rates were that high, Britain was in the exchange rate mechanism—a policy which those on her Front Bench supported to the rafters. It was the only economic policy we followed that the Labour party supported, and it supported it fully. It has never apologised, to this day, for the mistake it made in that particular case. [*Laughter.*] I do not know why Labour Members are laughing. They well know that not all Conservatives wanted the problems that occurred in the early 1990s, and they well know that my right hon. Friend the Leader of the Opposition has made a suitable apology, as I have often reminded the House.

What do the Government do about all the job losses? They make the problem worse by making it more expensive to make goods in Britain—£2,300 million extra each year for the working time regulations; £2,900 million a year extra for the minimum wage; and now trade union laws that will make it more difficult and costly to make goods in Britain.

Before Labour Members think that they have a clever point to make about my right hon. Friend the Member for Huntingdon, let me put a point to the Secretary of State. My right hon. Friend cared deeply about jobs in Britain, and one of things he did in Europe was to make sure that we had the right not to go into damaging social chapter measures, which are now coming in, thick and fast, under the Labour Government. I applaud what my right hon. Friend did, because he did it in the best interests of Britain. It worked: a lot of investors came here in the mid-1990s, thanking him for keeping us out of those damaging regulations. Now, we are being dragged in.

Why did the Secretary of State not keep us out of the social chapter, and instead judge each measure on its merits? He told us today that conditions vary around the European Union and that some countries need different labour measures from others. I agree. Why did he not keep the power, which my right hon. Friend protected, to choose separate labour measures for this country?

Dr. Phyllis Starkey (Milton Keynes, South-West): Will the right hon. Gentleman explain how he can reconcile his opposition to giving employment rights to part-time workers, who are mostly women, with his party's apparent support for the family?

Mr. Redwood: We think that the best support one can give the family is to have a labour market that works—one that makes it more likely that one or both of the parents can get a job if that is their choice or their need. We are extremely worried about the accumulation of too many burdens which, far from helping the people who most need help—those who have the fewest skills, or those who have been out of work for a long time—will make it more difficult for them to get the jobs that they need. That is not a family-friendly policy, but economic illiteracy of the first order.

Dr. Starkey: Will the right hon. Gentleman give way?

Mr. Redwood: The hon. Lady's point did not succeed the first time, and I doubt that it will fare better the second time.

With all those regulations coming in, it is no wonder that so many companies are giving up and taking their business elsewhere. The Secretary of State should take note of the warnings from Marks and Spencer. After decades of buying British and backing British manufacturers, the company has concluded that it must buy a lot more abroad in order to stay in the marketplace. That has happened under the Labour Government—Marks and Spencer did not do it under the Government of my right hon. Friend the Member for Huntingdon. It is a direct threat to the jobs of the textile workers who came to lobby the House today. What is the Secretary of State going to do about it? Does he not see that it is because he has made it too dear to make things in Britain that Marks and Spencer has come to that sad judgment?

If the Secretary of State wants further evidence, this morning we read in an excellent article in *The Daily Telegraph* that Rolls-Royce Engines will move its production to the United States of America if the Government inflict any more costly burdens on employment from Brussels. That is a stark warning from a senior industrialist who is not a Euro-sceptic fanatic of the sort the Secretary of State likes to deride, but a serious business man who runs a big, competitive and successful international enterprise and who is now issuing a warning to the Secretary of State, to the Government and to the whole European Union that they are getting it wrong and that they are going to destroy jobs.

Mr. Mandelson: It would be as well to state for the record what Sir Ralph said. He said:

"The last thing we want is the on-costs associated with the social costs of Europe, but I don't see any sign of its happening and the current government is not going down that path."

Mr. Redwood: The Government are going down that path. They are in no position to resist it, because the Secretary of State, the Prime Minister and their right

[Mr. Redwood]

hon. Friends have given away the UK's power to make our own decisions—*[Interruption.]* There is nothing they can do, so the threat is real—*[Interruption.]*

Mr. Deputy Speaker: Order. The hon. Member for Workington (Mr. Campbell-Savours) must be quiet in the Chamber.

Mr. Redwood: I am grateful to you, Mr. Deputy Speaker.

Mr. Dale Campbell-Savours: On a point of order, Mr. Deputy Speaker. What protection does the gentleman from Rolls-Royce have against a direct misquote from an Opposition spokesman? How can he answer that?

Mr. Deputy Speaker: I do not think that it was a misquote. There has been a contribution, which was rebutted by the Secretary of State in an intervention. That is what debate is all about—people put an argument and others rebut it. It is not expected that hon. Members should, while seated, throw arguments across the Chamber.

Mr. Redwood: I am grateful for your wise judgment, Mr. Deputy Speaker. I find it odd that the hon. Member for Workington (Mr. Campbell-Savours) had to raise that as a point of order, when I have given way to all those who want me to give way and would be happy to debate that point with him.

Mr. Tim Collins (Westmorland and Lonsdale) *rose—*

Mr. Redwood: I shall give way to my hon. Friend in just a moment.

The position is clear. The story is for all to see in *The Daily Telegraph* today. The Secretary of State has offered a further quotation, but the fact remains that the Government cannot resist the very threat that the gentleman in question mentioned, because they have thrown away our power of independent government in that respect.

Mr. Collins: On the subject of Rolls-Royce, would my right hon. Friend care to respond to the fact that Rolls-Royce briefed me and a number of other hon. Gentlemen about its grave concern that the Secretary of State is contemplating eliminating CARAD—the civil aviation research and demonstration scheme—the research programme on which aerospace, Britain's most important manufacturing industry, depends?

Mr. Redwood: The House is grateful to my hon. Friend for that worrying intelligence. I hope that the Minister who replies to the debate will answer that question, as it greatly concerns one of Britain's most successful industries. Even the Secretary of State would agree that it has done a pretty good job over recent years, although he is a hard taskmaster when it comes to awarding any plaudits to managers or employees in British industry.

What will it take to make the Government listen? Many of the most important people in the debate agree that, if we want more jobs, we must make it cheaper, not dearer, to employ people. One important figure in the debate said:

> "Lowering labour costs forms one of the main methods of making entrepreneurial activity attractive again . . . I favour lowering labour costs, particularly for lower skilled people at the bottom end of the scale."

Labour Members are quiet because they are hoping that I was quoting Baroness Thatcher or my right hon. Friend the Leader of the Opposition, but I have to disappoint them. It was Gerhard Schröder, Germany's new Chancellor. He went on to say:

> "Similar methods are needed to adapt working time . . . In fifteen years' time only half of those employed in the German economy will benefit from a secure, full time job".

Gerhard Schröder predicts that, the more protection there is for the favoured ones in big companies, the less protection and the less success there will be for everyone else. That is exactly our worry about the current trend of Government policy and European policy generally. In other words, Gerhard Schröder is saying that, at exactly the same time as Britain is making it dearer to employ people and imposing more regulations making it less flexible, Germany knows that she needs to go in entirely the opposite direction.

I have another interesting quote from a little nearer home. A self-appointed luminary here in the United Kingdom tells us:

> "Jobs for life are gone, nine to five working is no longer the norm. No amount of social regulation can protect jobs in an economy that becomes uncompetitive."

Labour Back Benchers had better steel themselves for two pieces of bad news about that quote. First, I have some sympathy with it, and secondly, of course, it comes from the pen of the Secretary of State for Trade and Industry. If he believes that Britain has to be more competitive, why is he doing so much to undermine our competitiveness?

If the Secretary of State agrees with Gerhard Schröder about needing to make it cheaper and easier to employ people, why has Labour decided to make it so much dearer? If he is telling us the truth when he says:

> "We do not want to second guess markets or substitute for management decisions"—

another snappy quote from the right hon. Gentleman—why is he busily doing just that with minimum wages, new trade union proposals and many more regulations? Does he realise that people on low wages will soon realise that they have been cheated as well? The idea of the minimum wage is not to boost their living standards, which would be a noble idea, but to cut their benefit top-ups, as is clear from the way in which the measure was introduced.

Has the Secretary of State seen last month's massive trade deficit in manufactured goods reported in today's announcement? Labour has at last broken new economic records, having achieved the largest ever single month's trade deficit in goods—it is a monumental example of their monumental incompetence. If we make it too dear to make things in Britain, naturally we will all sell less abroad and buy more from overseas. It is a sure sign that Labour is not working and that Labour is bad for business.

The Opposition say that we should give manufacturing a break, free it from regulations and reduce the taxes. It is no good saying that it should be easier and cheaper to make things in Britain, but do nothing about it;

the Government should do a U-turn before it is too late to save manufacturing jobs and factories and free business to compete and succeed.

The Secretary of State is, of course, in a perpetual spin. First he tells us that Brazil is such an important market that he must go there twice in the same year. Then he decides that he must cancel the trip. After months of telling us that the visit was crucial, he now tells us that it was an unnecessary hangover from his predecessor's regime. If that is so, why did he not cancel it when he first took up his job? That would have minimised the embarrassment to Britain. How much business is at risk from the cancellation of the trip?

Mr. Mandelson: May I explain? It was arranged only last Wednesday that Trade and Industry questions would take place slap bang in the middle of the visit. Of course I had to cancel; if I had not, I would not have been here to answer the right hon. Gentleman's questions.

Mr. Redwood: I find it touching that the right hon. Gentleman takes his duties to the House so seriously. However, it is in the Government's power to choose the schedule for questions; I would have been amenable to any proposal to move questions to another day to accommodate the Secretary of State's important trade trip to Brazil. We need to know what meetings he had to cancel and what business is at risk, as we had been told that the trip represented a very necessary expenditure of public money.

Such rudeness to an overseas country is perhaps not surprising given the Government's appalling record in promoting British exports—they have thrown away millions of pounds of orders from Chile by their cack-handed handling of the Pinochet case. Like the Foreign Secretary, the right hon. Gentleman is a walking disaster when it comes to diplomacy in Britain's commercial interest. On his most recent visit to Brazil, he sparked an unfortunate political row when he criticised the Workers party.

The right hon. Gentleman has, of course, insulted many others, including the horny-handed sons of toil, as he calls them, in his constituency. He has also condemned most of his Cabinet colleagues as cowards. Looking at today's press, I think that the charge of cowardice would be more fairly levelled at him than at many of those with whom he tries to work.

The Guardian today reports that it has been told by sources close to the right hon. Gentleman that the Confederation of British Industry has been rebuffed over the fairness at work Bill. We are told authoritatively that the Bill will represent a decisive shift of direction in favour of the trade unions. Meanwhile, *The Times* is told equally authoritatively that the Secretary of State

"has angered unions by considering employers' demands to water down elements of the White Paper".

The master of spin is caught red-handed—or is it blue-handed? A newspaper that inclines to the unions is told that he is the friend of the full trade union monty, whereas a newspaper with unhappy memories of trade union activity is told that he is a friend of business, valiantly trying to stifle the baser instincts of his predecessor and some of his colleagues.

Is not the House owed some straight talking? I remember the Secretary of State's promise: "No more spin, honest." Is he backing the unions or the CBI? In a debate with me on television today, the Minister of State, the hon. Member for Makerfield, was unable to answer, as he still had not had his instructions from the Secretary of State. A Bill is to be introduced, but we still do not know who has won and what the decision will be on crucial issues.

Will there be automatic trade union recognition if 50 per cent. or more of the work force in a firm or place of employment are already members of the union? If so, that will be, as I assumed, a victory for the trade unions. Will he raise or abolish the ceiling on unfair dismissal compensation? He seems to say yes—at last, after all the spinning, an honest nod from the Secretary of State, saying that the unions have won after all. What a surprise.

The Secretary of State must be dizzy from so much spinning, but eventually the spinning must stop. He must decide not only those issues, but how the minimum wage legislation will work and how the competition mess—a Bill in search of a policy—will be sorted out. He must also sort out the Post Office, energy policy and all the other things heaped on his desk that he seems unable to determine.

The right hon. Gentleman prides himself on being a man of great influence on the press. For the most part, he has little need to worry about unfriendly stories. He can call proprietors and editors—with a few brave exceptions—and have a journalist dealt with if a story is not to his liking.

The Secretary of State should remember that the issue before the British people at the next election will not be who has been the best spin master, but what is the reality. They will know the reality—whether we have more strikes or fewer and more manufacturing jobs or fewer, and whether people are investing here in new factories or closing factories down. They will have rumbled the Secretary of State, however good the spin. Today, the spin has gone horribly wrong, because he has been caught, through his agents, saying different things to different audiences about the same subject. *[Interruption.]* Does the hon. Member for Croydon, Central (Mr. Davies) wish to intervene? Obviously not. He thought better of it, because he realises that the Secretary of State cannot be defended.

The Secretary of State should remember Wapping. He should remember the damage that union action did to the newspaper industry. He should remember the terrible scenes of unions set against management. He should remember worker set against worker, and the picket lines and strife that characterised the bad old days of the 1970s and early 1980s before the Conservative Government reformed industrial relations. We do not want to see that again, and we fear that disrupting the settlement that we left the Government could bring back those dreadful old ways.

Now, the Secretary of State has decided to gum up the works in the exciting world of the internet and electronic communications. Perhaps he is so worried that the new media will not be on clean feed from Millbank tower that he wants to legislate to make sure that he can crack all their codes. Clearly, he wants to know what is going on in this new world. As I have explained, we have strong reservations about giving the Secretary of State this power, and about the wisdom of trying to freeze the technology while it is developing so rapidly. We are worried that the Secretary of State's wish to legislate on signatures and authority is a back-door way for the Government to damage our freedom.

[Mr. Redwood]

I wonder whether the Secretary of State is in the mood to answer one more question. Has he decided that he has to ditch Labour's pre-election policy on this very issue? Before the election, Labour said:

"Attempts to control the use of encryption technology are worrying in principle, unworkable in practice and damaging to the long term economic value of the information networks."

Labour went on to say, in an unusually vivid phrase, that there was

"no fundamental difference between an encrypted file and a locked safe."

Exactly, Mr. Deputy Speaker.

Would Houdini like to get out of that one? Is that not a dramatic change of policy? Is not the truth that the Secretary of Stare is so ashamed of what is going on in manufacturing that he wishes to claim the credit for internet and cyberspace technology, and has decided that the only way to do that is to put through a Bill? Now, having decided that he must try to invent something to go in the Bill, he has latched on to what Governments always latch on to in these circumstances—the wish to regulate, control and interfere in people's private business.

The Secretary of State is in grave danger of running up against all those who believe in freedom and liberty in our country—people who are very worried about this dramatic 180 deg U-turn on this crucial policy by the Labour Administration.

The new Government in Germany are waking up to the problems of their social models at exactly the same time as the British Government are bringing in the old German model to this country. The new Chancellor of Germany has stated:

"More than 4 million people out of work and their families are paying the price of insufficient economic flexibility."

Meanwhile, the British Government claim that Europe is coming our way.

The Government say that there will not be more or higher taxes, but that there will be more flexible labour markets. They say that getting people back to work across Europe is the new number one priority. Yet everything we see from their deliberations in Europe is pointing in the other direction. According to Mr. Santer—who should know—the Government have signed up to more and higher taxes from Brussels.

As recently as 1997, the Government signed up to a document which said:

"tax measures which provide for a significantly lower effective level of taxation, including zero taxation, than those levels which generally apply in the Member State in question are to be regarded as potentially harmful and therefore covered by this code . . . Member States commit themselves to re-examining their existing laws and established practices, having regard to the principle underlying the code . . . Member States will amend such laws and practices as necessary".

I agree that that is not as clearly drafted as we might like, but it means in effect that the Government have signed up to higher taxation in the name of banning so-called unfair taxation. There it is, lock on the door, in a Commission document, clearly understood by Mr. Santer, who has translated it into better English than the original document.

The new European document, to which the Europeans signed up only last month, goes even further. It says:

"We welcome the political agreement reached among Member States on the fiscal packages as a first step in the right direction. EMU will intensify the potential for tax competition. Therefore, further efforts have to be undertaken to avoid harmful tax competition among the Member States."

That is crystal clear: unfair tax competition is having lower taxes than one's neighbours. Britain had lower taxes, thanks to the two previous Prime Ministers. As a result, we have considerably lower unemployment than on the continent, which is another welcome divergence engineered by Conservative Ministers.

Labour wants to destroy both competitive advantages at a stroke, with a policy that drives up manufacturing unemployment and takes away some of our business tax advantages. The Government say maybe to another savings tax from Europe and to more VAT. *[Laughter.]*

Government Back Benchers find this so uncomfortable that they are behaving in a silly way. They well know that the Government have blown it on common taxation and they do not know how to defend the position, so they will not intervene or contribute to the debate, but merely try to disrupt it in a rather juvenile way.

The Government say maybe to more VAT. Indeed, the directive proposed in June says:

"the objective of this Directive, which is that of the effective taxation of savings income within the Community, cannot be sufficiently realised by the Member States and can therefore be better achieved by the Community."

The proposal is to negotiate on that directive to create a uniform and high savings tax throughout Europe, which will damage savers and especially the City of London.

The Government say that they are out to modernise this country. They should have said that they are out to demolish it. They claimed that they would keep Scotland in the Union, but devolution is threatening that Union. They said that devolution would crush Scottish nationalism overnight, but it has given it a great new strength. They claimed that they wanted a strong Parliament, but they are out to abolish the second Chamber in all but name, because it dared to disagree, and they like to stifle debate in this Chamber whenever possible.

The Government told the Liberals that they would be important if they went on to Labour pagers, but Labour Back Benchers could have told them that it does not quite work like that. They claimed that they would transfer power to people, but they are taking it away from them. They said that they would stand up for Britain in Europe, but they have sold us out in Europe on taxation and labour market regulation. They said that they would encourage manufacturing, but they are closing it down. They said that they believed in freedom of information, but in practice they believe in secrecy.

I see that the Secretary of State does not believe that he should listen to these important charges against the Government. He knows that they have broken yet another crucial promise on freedom of information.

Far from modernising our democracy, the Government are undermining it, boosting Scottish nationalism and fuelling a false English patriotism. They are trying to do to Parliament what Guy Fawkes was prevented from doing. Their constitutional gunpowder is exploding dangerously. They are doing untold damage. Conservative

Members will fight for the industry that we want to protect, for the democracy that we love and for the country that we serve.

5.14 pm

Ms Harriet Harman (Camberwell and Peckham) *rose—*

The Secretary of State for Education and Employment (Mr. David Blunkett): On a point of order, Mr. Deputy Speaker. I apologise for interrupting my right hon. Friend. In view of Madam Speaker's specific request this afternoon, I have cancelled my arrangements and I will wind up the debate. I thought that it was courteous to let the House know that.

Mr. Deputy Speaker: Thank you. Harriet Harman.

Ms Harman: During the speech of the right hon. Member for Wokingham (Mr. Redwood), my hon. Friends began to form a lobby to beg my right hon. Friend the Secretary of State to bring in the working time directive and extend it straight away to the right hon. Gentleman's speeches.

Having returned to the Back Benches after 14 years on the Front Benches, I should like to return to an issue that I raised when I was first a Back Bencher and have pursued and been committed to ever since—family-friendly employment, which, I am delighted to say, the Government have included in their legislative plans. I firmly believe that that is one of the most important and modernising parts of the Government's legislative programme.

Under "Fairness at Work", parents will, for the first time, have the legal right to take time off work when their children need them. The right to family leave is of immense practical and symbolic importance to millions of parents and their children. It is vital for the growing number of women who juggle their responsibilities at work with their responsibilities towards their children. It is also an important signal that the Government recognise that a growing number of fathers want to be there when their child is born and to play a greater part in caring for their children, as well as working to provide for them. Above all, it is important for children, because it recognises that they need their parents' time, as well as seemingly vast quantities of their money.

There are times when a child needs his or her parent, and when only a parent will do. The world of work has changed, and so have families. The legislation recognises that. Britain's competitiveness, about which my right hon. Friend the Secretary of State spoke so passionately, depends on its work force, half of whom are now women.

Women work because they want to. They now have educational qualifications that are equal to men's. They have a contribution to make to the world of work, and they have the custody of half of what my right hon. Friend described as this country's knowledge capital.

Women work because they need to. Nearly half the children in this country depend on the woman's earnings as well as the man's, and nearly half the mothers with children under five are now working.

Women also work because we need them to. There is not an industry or a service in any sector of the economy that would survive without women's work. Many women work to set an example to their children that life is about work and not merely about depending on benefits. That is especially important for the 2 million children who are being brought up by a lone mother.

Women's work is not optional: it is an integral part of our modern economy. Women are here to stay as part of our work force. As well as being indispensable to the modern world of work, they remain indispensable to their children. It is still mothers who shoulder most of the responsibility for children and nearly all the responsibility for domestic tasks, although fathers are getting more involved in the care of their children, which is a welcome trend that is set to continue.

The Government will continue to modernise public policy to catch up with the changing world at work and the changing life of families. The Government are introducing a national child care strategy to ensure high-quality affordable child care for all who want it, helping children to flourish and ensuring that their parents can work without worry. The Government established the new deal for lone parents, recognising for the first time that jobcentres should help mothers who want to work even if they are not registered as unemployed.

The Government are introducing the minimum wage and the working families tax credit so that fathers do not have to work all hours to make ends meet and thereby discover that they are exiled from the lives of their own children and their home.

The legal right to family leave takes another step forward. It joins together many different parts of the Government's modernising agenda. It is a substantial and practical part of our determination to be a family friendly Government and to put families and parenting at the heart of our policy. It is an important part, too, of our welfare-to-work policy, especially for women. It is part of our rights and responsibilities agenda for fathers.

Mr. Willis: The right hon. Lady is making a passionate case for family-friendly legislation. Does she agree that one of the great omissions from the Queen's Speech is a Bill to reform the Child Support Agency, a great abomination which still exists and which undermines family values?

Ms Harman: I made a statement in the House earlier this year saying that we will introduce reforms of the Child Support Agency, but it is important to consult and get it right. That is why it is right to have a pre-legislative stage and to consult, especially with the Select Committee, to ensure that we get right the difficult but important area of fathers' continuing responsibilities to provide financially for their children even though they no longer live with them. We need a fair balance among fathers, their new families, lone mothers, the children and the taxpayer. I urge the hon. Gentleman not to worry on that score, because the Government will take that agenda forward.

Family leave is part of the new agenda of flexibility in the labour market, with changing working patterns demanded by both employers and employees. It is also an important and practical way to help carers. I wish to make four suggestions to the Government about family leave: they should consult business; they should monitor the implementation of family leave; they should pay for some of it; and they should include carers.

[Ms Harman]

First, when it comes to consultation, my right hon. Friend the Secretary of State for Trade and Industry will discover that many businesses are light years ahead of the Government and public policy on the issue of family leave. I urge him to learn, as I am sure he will, from their experience, to listen to their advice and to build on their good practice. Organisations such as Opportunity 2000 and many individual employers will offer help and advice.

I suggest, too, that my right hon. Friend listens to those who have cared about this issue and campaigned on it for many years, including organisations such as the Maternity Alliance, New Ways to Work and the Women's TUC. They know the subject inside out and will advise and support the Government. However, I urge my right hon. Friend not to take any notice of employers who fail to recognise that the world has changed. They want to employ women, and their businesses depend on women, but they refuse to recognise that their work force has changed and their work patterns must also change.

Secondly, I urge my right hon. Friend the Secretary of State to consider carefully the experience of the United States of America in introducing family leave. In 1993, the first piece of legislation that President Clinton signed on taking office was the Family and Medical Leave Act. Before its introduction, it was controversial, and business had grave concerns that it might affect competitiveness. Instead of legislating and leaving everyone to get on with it, the American Government set up a family and medical leave commission to monitor how the new law was working, to give out information to spread good practice, and to report back to Congress two years later. In 1996, the commission reported to Congress that the Act had had no harmful effects on competitiveness but had had a beneficial effect on families.

Thirdly, I ask the Government to consider paying for family leave, at least for low-income families. If we do not pay for family leave for lone mothers, the danger is that they will leave their jobs and go back on to income support when their families need them. The importance of the new deal for lone parents is to help mothers off benefit and into work, but we need to help them stay there and to discharge their responsibilities to their children. If we do not pay for family leave for low-income families, they might feel that they cannot afford to take it—but low-income families need fathers' and mothers' time just like other families. Alternatively, parents may take family leave but face reduced income when the children are young and need that income most.

Welfare to work, the minimum wage and the working families tax credit are all policies designed to improve the income of working families with young children. Sir Donald Acheson's report on public health, which will be published tomorrow, will identify the need to ensure the highest possible income for families with young children. I suggest that we pay for family leave, or at least some of it, as a tax credit for families on low incomes who are already eligible for the working families tax credit.

Mr. Terry Rooney (Bradford, North): My right hon. Friend knows of my deep personal interest in this subject. Does she agree that it would be consistent with the child care allowance in the working families tax credit to make a payment to those who want to stay in work, as well as those entering work?

Ms Harman: A tax credit for family leave would sit well with the working families tax credit and the child care tax credit. I pay tribute to my hon. Friend the Member for Bradford, North (Mr. Rooney) for his long-standing campaign on the issue, which arose—I hope he will not mind my telling the House—from the fact that his father asked for time off work when his wife was having a child. He was not allowed time off, but took it anyway to care for his children: he was then sacked and was unemployed for two years. The law remains the same to this day, and that is why it is right to change it in legislation that will be introduced under the Queen's speech.

Mrs. Teresa Gorman (Billericay): I am listening carefully to the right hon. Lady's speech. Before she leaves the impression that all employers are ogres and all employees are wonderful people, may I pray in aid a great supporter of the Labour party, Carmen Calill? She was a rampaging feminist in her younger years and became the editor of Virago and then HarperCollins. She once described to me the almost impossible situation she faced in employing many women. She had to let them go from key roles for long periods and could not replace them, because she had to keep their jobs open. The right hon. Lady extols the virtues of more legislation that would restrict employers, but can she explain how she expects employers to cope with the practical aspects of all those wonderful ideas?

Ms Harman: The practical implementation should follow extensive consultation with employers, including those who have implemented family-friendly employment for years. We should draw on the experience of the Americans, who went from no family leave to full family leave with no effects on competitiveness.

Fourthly, I suggest that the Government should ensure that time off work is available for those caring for young children and also for those caring for elderly or disabled relatives, as in the United States. As our population ages, more and more people—mostly women, but a growing number of men—try to combine paid work with their caring responsibilities. We want and need them to be able to do both. The Government are taking a radical and modernising step by introducing for the first time a legal right to family leave. I warmly congratulate them.

5.28 pm

Mr. John Major (Huntingdon): I can tell the right hon. Member for Camberwell and Peckham (Ms Harman) that returning to the Back Benches has its charms. I speak with some experience, and I hope that she also learns to love the experience. Back Benchers need not be unthinking lobby fodder, and I hope that the right hon. Lady will join the army of Back Benchers who have a proper role to play in ensuring that the Executive always reflects parliamentary opinion first and foremost.

Let me say at the outset that I approve of some of the policies that the Government have followed in the past 18 months and propose to introduce. That is not surprising, as some of them were policies that I followed. Others are similar to policies that I was following, but have been redesigned a little.

Let us ease aside from the belief that there is a sharp difference on every issue between the Government and the Opposition parties. That is not so. It is the Opposition's role to concentrate on the points on which we disagree, but there are some areas of agreement. The fact that there is agreement on some issues is one of the strengths of this parliamentary system.

This is in many ways a rather unusual Queen's Speech, particularly for the second year of a Parliament, in that its theme is difficult to discern. The Secretary of State bravely suggested that it was modernisation and fairness, and who could disagree with the principle of the right sort of modernisation and fairness? Nobody asks for the reverse. However, we must consider whether the Queen's Speech contains the hard-backed policies that will achieve that in an advantageous way. That is a point with which many Opposition Members might disagree.

The Secretary of State made some intriguing remarks, often off script and occasionally in response to interventions, either proper or from a sedentary position. He said one or two things with which I agree strongly. He spoke about collective rights within the European Union, but said that there are different practices in some countries. He clearly meant the different historical, industrial and commercial practices, many of which we find in the United Kingdom. Unless I misheard him, he spoke warmly of the principle of subsidiarity, which I had the privilege of enshrining in the Maastricht treaty some years ago. I strongly agree with him about that.

However, the Secretary of State touched on weaker ground, on which I notice that he did not take an intervention. Although I agree with the principle of subsidiarity and with the fact that we are different in some respects, the fact that the Prime Minister agreed to the social chapter in Amsterdam shows clearly that almost everything in the social chapter is determined by qualified majority voting, not by unanimity.

That means that, even though the Secretary of State may oppose it, it is entirely possible, indeed probable, that legislation will be passed in the European Union that our Government would not pass for the reasons that the Secretary of State set out, but that he would not be able to block. It is the practice in other European countries, it is enshrined in the broad principles of the social chapter, and it will be decided by qualified majority voting.

Yvette Cooper: Will the right hon. Gentleman give way?

Mr. Major: Let me make some more progress.

I welcome the Secretary of State for Education and Employment back to the House. I am sure that he made the right decision to return. I hope that when, the right hon. Gentleman replies to the debate, he will explain how the Government propose to protect Britain from legislation of which they do not approve, but which would otherwise be imposed on us by qualified majority voting under the agreement made by the Prime Minister in Amsterdam.

Mr. Mandelson: If he does not mind my saying so, the right hon. Gentleman is being very defeatist. Surely, when one is in the councils of Europe, it is possible to use the power of persuasion to convert people to one's point of view. That is much more effective than standing on the sidelines bellowing at people through a megaphone. For example, over the past 18 months, we have achieved a darn sight more on the ban on British beef by having our arguments listened to and through the power of persuasion than the right hon. Gentleman's party achieved on most issues during 18 years in office.

Mr. Major: The right hon. Gentleman's idea of political persuasion is to bend someone's arm behind their back.

If what the Secretary of State said is true, perhaps he can explain why the Chancellor of the Exchequer is not a member of the Committee considering the euro. Despite the fact that sterling is one of the great currencies of Europe and that our European colleagues want sterling to enter at some stage—as do the Government—the Chancellor of the Exchequer is not welcome at the meetings. The Government still say that persuasion works. In reality, one can persuade from time to time. I persuaded our European partners to give us the opt-out on a single currency that the Government now use. I note that I received no acknowledgement of, or gratitude for, that. Of course, it is possible to persuade sometimes, but often it is not.

The Secretary of State spoke earlier about not accepting legislation that we do not wish to accept. I remind him that he has signed up to an agreement under which he may not be able to prevent damaging legislation.

Mr. Paul Keetch (Hereford): Will the right hon. Gentleman give way?

Mr. Major: If the hon. Gentleman does not mind, I should like to make some progress.

The Secretary of State spoke about convergence and the euro. Of course, what he said is right. Of course, it must not be artificial. He gave the impression that my right hon. Friend the Member for Charnwood (Mr. Dorrell), who asked a question, was talking about artificiality. Europe has spent the past few years seeking to converge the real elements of its economy. Many in Europe have done so. They have taken significant decisions on public expenditure and taxation in order to seek convergence.

The right hon. Gentleman did not deal—the Government will have to deal with this one day—with how we are to avoid the convergence of taxation, if we are to proceed with the euro. The Chancellor says that he will not accept the convergence of taxation, and I agree with him. I will stand shoulder to shoulder with the Chancellor on the question of not accepting the convergence of taxation, and throwing away the advantages of a relatively low-tax United Kingdom economy, because that is one of the reasons for the inward investment and the relative prosperity that we have gained over other countries in recent years. However, we need to know exactly what the Government intend to say about that. I understand the difficulties, but the Government will need to be clear soon.

The Secretary of State said, intriguingly, that we shall join the euro when it is in our interests to do so. That seemed familiar to me. I seem to remember hearing that somewhere before. In fact, I seem to remember uttering that expression. It was about the time when the present Prime Minister was accusing me of not being clear about

[Mr. Major]

whether we would join the euro. However, if he will forgive me putting it this way, I notice that the Prime Minister, who accused me of sitting on the fence, is now seated squarely on the adjacent spike. That is a wise place for him to be, but he might acknowledge—it would make for a more graceful occasion if he did—that the policy that he criticised before was a wise one that he, equally wisely, is following now.

Let me deal with something that underlies all the ambitions of the Government and the Opposition for the well-being of this country. Many of the artificial arguments that we have across the Chamber are arguments not about ends but about means. For example, the big argument about the social chapter is not about whether workers should have better rights. The Government believe that the social chapter is right and that it enshrines more rights for workers. Our argument is not that we do not wish workers to have rights, but that we feel that, as a result of the social chapter, other workers may not get jobs that they should have. Let us deal with the reality of the substantive debate between us. There is no disagreement on objectives.

The economy is crucial to whether those objectives can be met. So much depends upon that. A wise former Chancellor of the Exchequer said that money is the root of all progress. Given how often the £40 billion is mentioned, we can see that that is undoubtedly the case.

What is the Chancellor's forecast for the next three years? In 1999, it is 1 to 1.5 per cent., a year later it is 2.25 to 2.75 per cent. and a year after that, by a remarkable geometric progression, it is 2.75 to 3.25 per cent. Forecasting is very difficult. Let us make it clear that the Chancellor does not do the forecasts personally. It is very difficult for the statisticians who do the forecasts and, to be frank, they are more often wrong than right, both in the Treasury and almost everywhere else. I am sure that, on this occasion, the forecasts presented by the Chancellor—I do not know whether they were the forecasts given to him—are wrong. If that is so, there are difficulties ahead for a wide range of policies to which the Government are committed.

I suspect that the Prime Minister is less certain than the Chancellor about the forecasts. The Prime Minister's speech at the Lord Mayor's banquet was very different in tone from the Chancellor's statement to the House. The difference was striking. The Chancellor was cocky, confident and certain of his forecasts and the Prime Minister was warning us of difficult times. I believe that the Prime Minister was wiser to be cautious than the Chancellor was to be confident.

We are told regularly that the Prime Minister and the Chancellor are two souls in the same political body. We are usually told that when they have just disagreed, when their spin doctors have just disagreed or when they have contradicted one another. We are told that they work together, and I am sure that they do so, if only to keep a close eye on what each other is doing.

The Chancellor's forecasts are crucial, so let us consider them. I have made the point that forecasts may be wrong, but the increasing trend of view among businesses and others who have made later forecasts is that we shall not have growth of between 1 and 1.5 per cent. next year. Growth will be substantially below 1 per cent., perhaps at 0.5 per cent. or conceivably even lower, although I doubt that we shall go into recession, except perhaps technically and briefly.

In the second year, the Chancellor forecasts growth of 2.25 to 2.75 per cent. I can only assume that, as part of the new deal's job creation programme, Mary Poppins has become a Treasury forecaster, and that, for year 3, she has been replaced by Hans Christian Andersen with the fairy-tale proposition that we shall have between 2.75 and 3.25 per cent. growth.

The forecasts defy logic. The rest of the world is dipping, and growth is being cut. Growth is being cut in our markets at a time when, although it has dipped a little, sterling is still strong and presenting difficulties in export markets. Sterling is strong and our markets are diminishing, but, as the world cuts its growth forecasts, we, remarkably, will grow at an accelerating rate year upon year. What has the Chancellor of the Exchequer been taking? What hallucinatory forecasts drift past him as he prepares to come before the House?

The truth about the economy is that it is slowing. The underlying economy is very strong. We must be in no doubt about that: we are not in deep difficulties. However, the economy is slowing for several reasons. Inflation is low, essentially because—although the Secretary of State will not wish to hear it—the previous Government took unpopular measures that the Government opposed when they were in opposition and that, for a time at least, have put inflation in repose. Inflation is never dead, but it is lying low for the time being. Interest rates will fall a little further, as they should because the economy is pretty slow and pretty flat. That is the good news.

The rest of the news is perhaps less good. Borrowing will grow, or taxes will rise, or there will be a combination of laxer borrowing and higher taxation. Growth will continue to fall. How far it will fall, we cannot be certain, but it will be way below the Chancellor's forecasts. It will fall for two reasons. The first is beyond the Chancellor's control. There is a slowdown around the world, and we cannot insulate ourselves against that. When markets slow down, we slow down. We cannot blame the Chancellor for what is happening around the world. Like all his predecessors, he must deal with that problem, but it is not his fault, except to the extent that we have limited influence for collective action through the G7.

However, there are also domestic mistakes. The Chancellor has made a series of mistakes, such as the 17 tax rises, many of which were mean-spirited. The tax rises on pensions, on investment and on savings were unwise from the point of view of the economy. Fiscally, they were good for the Treasury, but they were bad for the real economy of which the Secretary of State spoke earlier.

There will be a price to pay for those tax rises. The best that the Chancellor can hope for is that the Government forecasts will be proved foolish over a long period. The worst that may face him is that there will be a shock somewhere else in the world. It may be China devaluing, or the yen sinking further, or—heaven forbid—another collapse of some sort in south-east Asia, or something unexpected of which none of us has thought. One more such item will mean a significant further slowing of the world economy, and the Chancellor cannot protect us

from that. Yet he left no leeway a few weeks ago in the confident forecasts of growth and expenditure that he led the House to expect.

Yvette Cooper: Does the right hon. Gentleman think that the Government should have sustained the £28 billion deficit with which his Government left us, or should we have continued to pursue the fiscal policies of his Government, which broke the golden rule every year and doubled the national debt?

Mr. Major: The hon. Lady is relatively new to the House, but I must say to her, "Come off it." Does she seriously think that the £20 billion that was boasted in the Queen's Speech to have come off the deficit suddenly and miraculously appeared on 2 May 1997? Was that the result of the delayed impact of corporation tax coming in as a result of policies put in place by the previous Government, and of the profits yielded by those policies? Of course it was the latter. There are lags in yield, and if the hon. Lady does not understand that, I hope that others do. It was ludicrous to claim credit in the Gracious Speech for £20 billion off the fiscal deficit in the first year.

Yvette Cooper *rose—*

Mr. Campbell-Savours *rose—*

Mr. Major: The hon. Gentleman is an old hand who has been in Workington since before the flood. He knows that the hon. Lady is talking nonsense, and I know that he will talk nonsense, too, so I shall let him do so later and will get on with my speech now.

Mr. Campbell-Savours *rose—*

Mr. Major: Oh, all right then.

Mr. Campbell-Savours: It seems that the right hon. Member for Wokingham (Mr. Redwood) disagrees with the right hon. Member for Huntingdon (Mr. Major). On 10 November, he said:

"Yes, we got it wrong in the early 1990s . . . Yes, we have apologised."—[*Official Report*, 10 November 1998; Vol. 319, c. 148.]

The right hon. Member for Wokingham is always dissociating himself from the policies of his former Prime Minister. How does the right hon. Member for Huntingdon feel about being disowned time and time again?

Mr. Major: The hon. Member for Pontefract and Castleford (Yvette Cooper) was actually talking about the deficit over the previous year, but my right hon. Friend the Member for Wokingham (Mr. Redwood) does, indeed, often remind me of my mistakes.

The Chancellor cannot run the economy on the slogan that he has used during the past few months. He says there will be an end to short-termism. Of course we want that, but it is odd that the Chancellor who wants to end short-termism should, in his very first Budget, have made an attack on investment with taxation. That is a very odd way to end short-termism. Perhaps it will surprise the Chancellor to hear that short-termism ended in the 1980s with the supply side changes that he opposed. It ended in the 1990s with our painful efforts—which he by and large opposed—to get inflation down. Short-termism ended then when politically unpopular decisions were taken to put the economy on an even keel. Whenever he is cornered, the Chancellor recites a mantra. He says, "We will end boom and bust." It is at least half true—he is ending the boom. We must hope that he does not lead us into bust too soon.

I want to touch on one glaring omission from the Queen's Speech. I do not mean the lack of an integrated transport policy, which has so embarrassed the Deputy Prime Minister, although I hope that the right hon. Gentleman enjoyed his lunch today when he had the privilege of presenting the parliamentarian of the year award to the Leader of the Opposition, my right hon. Friend the Member for Richmond, Yorks (Mr. Hague). It is not often that a corpse meets his assassin of the day before in order to present him with an award for the assassination. I hope that it was an enjoyable occasion, and I am very sorry that I missed it. I can see that the Secretary of State is very sorry that he missed it as well.

Mr. Mandelson *indicated assent.*

Mr. Major: It must have been a remarkable occasion.

I do not want to talk about that omission from the Queen's Speech, or even about the freedom of information Bill, which has returned to the political womb, to re-emerge at some later stage. Instead, I refer to something that worries the Prime Minister as well as myself. The Prime Minister may be surprised to learn that we share a similar view, and that I am prepared to join him, but I judge him on what he has said recently rather than on his policies. Soon, we shall have a Scottish Assembly in Edinburgh, with tax-raising powers. The House knows that I think that that is a mistake, but that argument is past. We must deal with the reality that there will be an election next summer, followed by an Assembly.

The House will have, at some stage, to deal with problems consequential on the setting up of that Assembly. The Queen's Speech contains a range of constitutional measures that will cause future problems, although, in the interests of brevity, I shall not list those problems. However, there was nothing to deal with one problem which, if it is honest with itself, the House knows to have been created by the establishment of the Scottish Assembly.

The Scottish Parliament will put the Union at risk unless we are careful and skilful. When I warned of that some time ago, up to and during the election, I was much scoffed at by Labour Members and some members of Opposition parties, but the Prime Minister now accepts the danger, or there would be no reason for him to make speeches about our having a battle for Britain, oblivious though he may be to the fact that the only reason that we are having to fight that battle is the policy that he put in place and the nature of the Scottish Assembly that he has established.

The Government were warned, and they scoffed and jeered at the warnings. The truth is now there to haunt them, but that is history. I shall not worry too much about the haunting of the Prime Minister and those on the Treasury Bench. What is more important is this: where is the action to deal with the problem and where are the

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policies to encourage the newly established Scottish Assembly not to bid for independence and to realise that it would do better to stay joined at the hip as part of the United Kingdom in the Union that has served all of the United Kingdom so well for nearly 300 years?

Where are the policies to cope with what every hon. Member knows in his or her heart is the manifest absurdity of Scottish Members with no control over health, education and transport in their constituencies voting down here on health, transport and education in Hartlepool, Huntingdon, Peckham and elsewhere? We know that that is a problem and that it will cause conflict. Since we realise that, why on earth, given the majority that the Government have, do they not consider that constitutional problem before it becomes a running sore between this House and the Edinburgh Assembly?

The Secretary of State for Scotland has been saying for years that Scotland should have a Parliament. Now, he is saying in lectures that England should not have one. I am a Unionist and I agree with the Secretary of State that I do not want a separate English Parliament, although I observe the manifest absurdity of that right hon. Gentleman saying so. The difference between him and me is that I told the Scots of that problem before and during the general election, while he and his colleagues told them what was convenient for the Labour party during the election, with no concern for or understanding of the problem that would be created after it.

This is the Government's mess and it will not go away. They have created it and they need to correct the imbalance that they have created—through, not an English Parliament, but an English dimension to a United Kingdom Parliament—before it is too late and it causes too much bitterness. That is urgent. They should begin to discuss with my right hon. Friends how we might deal with that problem. I do not want my party to stand to one side and scoff at and mock the troubles that the Government are facing, because there are bigger issues at stake the constitutional position of the United Kingdom.

If Scotland were to break away—I do not expect that to be imminent, but it might do so in five or 10 years—will the Secretary of State say whether we would be stronger or weaker in Europe to stand up for our position there? He knows that we would be weaker. Would we be more or less likely to retain our seat on the Security Council? He knows that we would be less likely to do so. Would we be likely to retain our position in the Group of Seven, and would we have enhanced or lesser power if our country were seen to be breaking up? He knows that it would be lesser power.

At this stage in this Parliament, this year, with the Government's majority and our support, they could have dealt with that constitutional issue, that problem, which exists now. Instead, they have introduced a range of constitutional tinkering, which will create fresh problems, which will emerge if they get their way on other constitutional issues in Parliament during the rest of this Session. I bitterly regret the fact that the Government have chosen not to examine and deal with that issue before a sore becomes an ailment that is not readily curable.

Today, our main subjects are trade and industry and education and employment. We are offered a consultation document on teaching—another smack of firm consultation—which may well be worth while, but sounds like a fig leaf. I hope that the Secretary of State for Education and Employment will have more to say about that later. Given the way in which the question has been framed and the ballot arranged, we can look forward to what looks to be a vindictive, slow destruction of grammar schools without the Government having the courage to take direct abolition through the House. Yet again, part of the famous £40 billion will be reannounced—this time to repair schools, something that will be welcome if it turns out to be there and actually happens. Frankly, we have also had absurd policies for industry which will add to—

Mr. Blunkett: I am sorry to intrude on what is undoubtedly an excellent speech, but I think that the right hon. Gentleman implied that the Government were lying by suggesting that we were investing the resources that have been announced today in capital over the next three years. Given the spirit of the right hon. Gentleman's speech, I should like him to clarify what he meant by that.

Mr. Major: Of course I was not suggesting that the Government were lying. I meant that the £40 billion has been announced before, and that whether it will be there depends on the performance of the economy. I have spent much of my speech arguing that that performance may not be as good as the Government had supposed in their estimates, and that it may not yield the resources that they therefore expect. At that stage, the Government will have to cut expenditure, increase borrowing, raise taxes or do something else. My remark was made in that spirit. I was not suggesting that the Government were engaged in an outright deception—heaven forfend that such a thing should happen.

The policies for industry are absurd. They will add to regulation and to costs and increase the powers of trade unions in a way which will make neither them nor the employers happy—a remarkable double whammy—

Yvette Cooper *rose—*

Mr. Major: If the hon. Lady will forgive me, I shall not give way.

The Government have been fortunate so far. They have had the longest honeymoon in recorded history. They inherited a strong economy and they are now weakening it; they inherited falling unemployment—sadly, I fear that that is soon to increase—and a growing economy. Partly, but only partly, as a result of their measures, the economy is beginning to slow down. Despite the brilliance of the hype—it has been brilliant hype—it is a miserable performance, and the easy time for the Government is coming to an end. They are about to begin to collide with reality. I see the look of shock crossing the face of the Secretary of State for Trade and Industry at the belief that reality might have the impertinence to come up and tap him on the shoulder. Given the way in which the world economy is going, it may not merely tap him—unless he is very lucky, it will grip him by the throat.

The Government are about to come face to face with reality and, unless they are very fortunate or skilful, they will find that the promises that they have set out will not be easily met. I fear that they will find that many of those policies will not operate as they had hoped either

for them—something with which I do not much concern myself—or for the country as a whole, something with which I do concern myself. They need to look afresh both at their economic prospects as they frame policies, for no one wants promises that turn out to be impossible to meet, and, equally importantly, they must re-examine yet again and with care the option of removing—before it becomes too serious—the constitutional Scottish problem that will arise. In that, I hope that they will both seek and receive the assistance of the Opposition.

5.58 pm

Mr. Roger Berry (Kingswood): I want to deal with one proposal in the Queen's Speech that has not attracted much attention so far, but which will affect the lives of millions of citizens. Interestingly, it is a proposal that has already been supported by the other place several times, and one that has the support of the Leader of the Opposition, as I was surprised to discover yesterday. I am referring to the Government's proposal to legislate to set up a disability rights commission. Clearly that Bill will go a long way with support from the other place and the Leader of the Opposition, and it deserves to do so.

The House should warmly welcome the proposal, which would go a long way to implement the Government's commitment to ensure comprehensive and enforceable civil rights for disabled people. It will certainly be warmly welcomed by the 8 million disabled people who face discrimination in this country—people who are denied their basic rights to work, to learn, to travel, and even to vote.

It is no exaggeration, therefore, to say that yesterday was an historic day for disabled people, their organisations and their supporters. For the first time, disabled people are to have a statutory body to fight their corner. I am pleased that the Equal Opportunities Commission has been doing its work for many years, and we also have the Commission for Racial Equality. Northern Ireland has the Fair Employment Commission. But we in this country are yet to have a commission to ensure that disabled people are guaranteed their rights.

The disability rights commission should be welcomed primarily because disabled people will have a statutory body to ensure that they have redress if they are treated unfairly or unreasonably in the eyes of the law, but it will also be of great assistance to those who are required to abide by the law. There will be detailed advice for employers and service providers on how to make any necessary changes so that they can benefit from the skills of disabled people and from their custom.

The Government should also be warmly congratulated on the way they consulted before introducing the proposal to set up the disability rights commission. They have accepted the recommendations of the disability rights task force almost to the letter. This is one of those rare occasions on which a Government have consulted on a proposal and brought people together—in this case not only disabled people, but employers, local government, trade unions, the public sector and the private sector, under the aegis of the task force—to prepare a package based on consensus that they will then implement.

In that context, I pay tribute to the Minister for Arts, my hon. Friend the Member for Newport, East (Mr. Howarth), who, as Under-Secretary of State for Education and Employment, set up the task force and produced the White Paper, which was published in July. His commitment to civil rights for disabled people—over many years and from both sides of the House—deserves our recognition.

Let us not forget that disabled people and their organisations have campaigned for comprehensive civil rights for many years, and that hon. Members campaigned for many years in support of them. The first civil rights Bill, which was introduced as a private Member's Bill by my noble Friend Lord Ashley in 1983, provided for a commission. Since then, a commission has been considered an integral part of achieving civil rights by all hon. Members who have sought to legislate through a private Member's Bill, particularly my noble Friend Lord Morris and my hon. Friend the Member for North-East Derbyshire (Mr. Barnes). As secretary of the all-party disablement group, I also acknowledge that hon. Members of all political parties have been part of that campaign.

I welcome the fact that the Conservative Opposition now support a disability rights commission. That was not always the case, of course; indeed, until four years ago, the then Conservative Government were totally opposed to legislation of any kind to secure equal rights for disabled people, and were prepared to go to extraordinary lengths to stop such legislation.

That said, I am usually prepared to let bygones be bygones. In politics, there is not much mileage in bearing grudges, and I try not to do it. I would not have said anything else about the past if it had not been for the remarks in yesterday's debate by the right hon. Member for Richmond, Yorks (Mr. Hague), the Leader of the Opposition.

I had to check *Hansard* this morning, because I could not believe that I had heard the right hon. Gentleman say:

"We will support the creation of a disability rights commission . . . I hope that the commission will ensure that the . . . disability rights legislation, which I took through the House, is properly enforced".—[*Official Report*, 24 November 1998; Vol. 321, c. 16-17.]

I am occasionally surprised at comments made in this Chamber—we all are. Some of us are surprised most of the time, but when I heard those words, I could scarcely contain myself. I asked myself whether this could possibly be the same Member of Parliament who, as Minister for Social Security and Disabled People in the previous Administration, vehemently opposed a disability rights commission on every occasion. With regret, I have to inform the House that the right hon. Gentleman is that same gentleman.

I spent an enjoyable couple of hours this morning going through the *Official Report* of the debates on Second Reading, in Standing Committee and on Report for the Disability Discrimination Act 1995. There is a mountain of quotations from the right hon. Gentleman fundamentally opposing the notion of a disability rights commission. I shall simply select one at random—there are so many, it is difficult to know where to begin.

In Standing Committee, the right hon. Gentleman said:

"The assumption that there has to be a commission to tackle the problems that we know exist is flawed."

He went on:

"The issue of a commission has become an article of faith, but I ask the Committee and people outside Parliament to understand that there is more than one way to approach the problem."—[*Official Report, Standing Committee E*, 23 February 1995; c. 389-390.]

[Mr. Roger Berry]

The then Government's approach to the problem was to set up not a disability rights commission, but the National Disability Council, whose remit was to advise the Government.

It was therefore particularly unfortunate for the previous Administration that the NDC annual report—which was produced after not two or three years of operation, but one—recommended that a disability rights commission be set up. It virtually said, "Please abolish us, and set up a commission."

David Grayson, the admirable chair of that organisation, said in his foreword:

"there should be a body with the specific capacity to help disabled people to enforce their rights".

The NDC said that because it recognised after one year's work that there was not such a body, and that the NDC itself certainly was not a body of that sort. The NDC called on the Government to attach "an early priority" to legislating for comprehensive and enforceable civil rights.

I warmly welcome the commitment in the Queen's Speech to set up a disability rights commission. The White Paper published in July made a number of points; I shall not take up the House's time by repeating them all, but I shall echo a few, which are absolutely essential to the efficient functioning of the disability rights commission.

The commission's mission must be to work towards the elimination of discrimination against disabled people. That, above all, is its prime task. It should advise the Government on the legislation that is necessary to move from the Disability Discrimination Act 1995 to full, comprehensive and enforceable civil rights. In that sense, the disability rights commission will be an extremely important vehicle in assisting the Government to fulfil the final part of their commitment.

The commission should encourage good practice by employers and by service providers, because this is not simply a matter of legislation and of threatening to take people to court.

Everybody knows that the most effective anti-discrimination legislation is legislation that is rarely used in the sense of taking people to a tribunal or to court. If the legislation and the institutions that back it up are good enough, conciliation and advice can deal with the problems. Naturally, there must be a final right to prosecute if the law is broken, but it is extremely important that one of the key objectives of the disability rights commission should be to encourage good practice among employers and service providers, and to make arrangements for conciliation. It should also be able to assist individuals to enforce their rights not only under the Disability Discrimination Act but under the Human Rights Act 1998.

All that requires adequate funding. I am not jumping on to my usual hobby horse. That is the recommendation of the National Disability Council, which points out that sufficient resources must exist if the commission is to do its job properly. It is a crucial issue. The Equal Opportunities Commission has a budget of some £7 million a year, and the Commission for Racial Equality has a budget of some £11 million a year. The disability rights commission will require more than the CRE's £11 million if it is to fulfil its responsibilities.

Let us not forget that, like the CRE, the commission will undertake awareness-raising activities, but those will include awareness of impairments, barriers to disabled people's participation and how to overcome them, and the provisions of relevant legislation. It will have to ensure full accessibility to information, of advocacy and support. It will have to advise on reasonable adjustment, as defined in the Disability Discrimination Act. It will also have to support individuals who take cases to court under the Human Rights Act. Those are substantial duties, and the new commission's funding must be adequate to reflect them.

The establishment of the commission will be a major step towards comprehensive and enforceable civil rights. I hope that, at an early date, it will assist in achieving three other objectives that are part of that agenda: first, small firms should not be exempt from civil rights legislation; secondly, we should define disability to include all those who experience disability discrimination; and, thirdly, we should include transport and education within the framework of anti-discrimination legislation. We have none of those provisions at present.

I am sure that the vast majority of hon. Members welcome the proposal. It is a significant step towards implementing the Government's commitment to securing comprehensive civil rights for disabled people. It should be welcomed with enthusiasm: it is long overdue.

6.13 pm

Mr. David Chidgey (Eastleigh): I shall limit my remarks, because other hon. Members wish to speak.

Governments are often criticised for making pronouncements that are long on rhetoric but short on content. The Queen's Speech is a departure from that norm—it is pretty short on rhetoric, but even shorter on policies that will be successful in tackling trade and industry problems. It makes it clear that the

"Government will continue with economic policies designed to build stability for the long term",

and that the Government's central economic objectives are

"high and stable levels of economic growth and employment".

Nobody would disagree with those laudable aims, but what and where are the policies designed to achieve them?

The latest trade figures show that we are now running a trade deficit of £2.5 billion, the largest ever. Our trade gap with both our European Union partners and non-EU nations is widening, and it has little to do with the Asian crisis. Where are the proposals to support British industry and reduce bureaucracy in business? Where are the proposals to maintain inward investment? Although Britain has done incredibly well in attracting inward investment, it is important to continue to attract it.

Most importantly, where are the proposals to provide investment in human capital? We have heard a great deal this afternoon, particularly from the Secretary of State, about the importance of a knowledge-based economy. I could not agree more, but where is the investment in human resources to provide for that? I find such proposals somewhat wanting.

Our manufacturing industry is at its lowest ebb, yet the Secretary of State and the Chancellor complacently stick to the line that the economy is not heading for recession. Nobody said it was, but industry certainly is. Just seven

days ago, a Treasury survey of 44 independent economic forecasters predicted recession in the manufacturing industry next year. While the Chancellor continues to claim that manufacturing industry will avoid recession next year, the Treasury survey shows that an average drop of 1.1 per cent. in manufacturing output is expected. However, the Treasury still claims that growth in industry will be plus or minus 0.25 per cent.—in other words, zero.

That variance between forecasters and the Treasury is unprecedented, and it is time that the Government faced up to the severe problems confronting industry—particularly the burden of high interest rates and of an unstable and uncompetitive exchange rate. Unless the Government act, as many as 400,000 manufacturing jobs could be lost in the next two years because of the recession in manufacturing industry.

It simply not acceptable for the Government to wash their hands of the crisis in manufacturing and blame it on the collapse of Asian economies and the global market. For a start, that is simply not true. Today's trade figures reveal that exports to the European Union from this country are collapsing. That has nothing remotely to do with Asia. We trade more with the Netherlands than with the whole of south-east Asia, Latin America and Russia put together.

The Government's pre-Budget report clearly showed that the UK's principal export markets are growing. Tables A2 and A5 in the report show growth of 7 per cent., yet UK exports sales to our key markets are growing by only 4 per cent. That has nothing to do with the collapse of the Asian economies or stresses and strains on the global market, but is entirely down to a lack of action by the Government to make UK industry more competitive.

The Queen's Speech should have addressed two key issues: first, what will the Government do to ease the way for British business to compete in the global market; and, secondly, what will the Government do to ensure that our work force is equipped with the training and skills that are vital to a knowledge-based economy?

The Government are still prevaricating on Britain's entry into European monetary union. It would take just one simple declaration of interest and an indicative programme to make interest rates immediately fall and exchange rates stabilise, and industry would be revitalised at a stroke. The Prime Minister knows that. Indeed, he is on record as praising the call by more than 100 leading business people for a firmer commitment to join the single currency. He has presumably read what the chairman of Unilever said:

> "Business does not want to see Britain relegated to the status of a quaint offshore trading post, steadily marginalised from its main market".

That is how business thinks, but the Gracious Speech merely continues the line that we will join when it is in Britain's best interest. I asked the Secretary of State whether he could envisage a scenario in which joining would not be in Britain's best interest, and answer came there none.

The Queen's Speech tells us that there will be measures on competition and on investment in improving skills. Why are the Government not taking a lead on competition by introducing proposals to give the Post Office greater commercial freedom? How long must we wait? Unless the Post Office is given the freedom to invest internationally and to operate commercially, it will lose its place in the global market. Time is fast running out. The forecasters tell us that, within the next two years, there will be no place in the global market for the Post Office.

If the Government intend to address competition, why have they increased taxes on business at twice the rate of the reductions that they so proudly proclaim? Why have they not made some effort to reduce regulations on business?

On 10 November 1998, at column 201 of *Hansard*, the Minister for Small Firms, Trade and Industry claimed that the previous Government had introduced 10,000 new regulations. There is a great danger of small and medium-sized enterprises being crippled by bureaucracy, yet the Government's vaunted deregulation unit attached to the Cabinet shows all the symptoms of becoming a farce. It was asked a few weeks ago how many deregulation measures have been introduced. The answer was, "We can't find any." It has been established for a year, and so far it cannot find any deregulation measures—not one.

The Government not only have failed to reduce regulation on business, but are intent on adding Euro-bureaucracy to the burden. Britain enjoys some of the lowest employment costs in Europe, which are, on average, about a third of those of most of our competitors. That helps to offset the disadvantages of low productivity. However, that will all change if the party of European socialists has its way.

Under the Government's presidency of the European Union last year, the document entitled "Economic Reform in the Framework of EMU"—commonly called the new European way—was drafted. The right hon. Member for Wokingham (Mr. Redwood) made the interesting point that, if we follow the philosophy set out in that document, we will be on the road to tax harmonisation.

Europe finds it anti-competitive that Britain has some of the lowest employment costs in the world. I cannot see the logic of following that philosophy, but, on Sunday, along with the other Finance Ministers of Europe, the Chancellor of the Exchequer agreed to that document—he may have signed it. Where does the Secretary of State for Trade and Industry stand if such a measure is at the heart of Government philosophy?

The Queen's Speech should have contained measures for improving skills. It is appalling that there are 7 million people in this country with no formal qualifications. Investment in vocational training is failing to deliver. National vocational qualifications are a good idea, and I support them. They measure skills that people have, as well as the knowledge they are gaining. However, the recent disturbing results show that there is a 40 per cent. drop-out rate at NVQ level 2, which is the threshold to gaining the higher technical skills our economy lacks.

The problem is that, although the Government recognise the distinction between investment and capital and revenue costs, they do not accept that expenditure on human resources and human capital is essential for a knowledge-based society. Instead, such expenditure is seen as a revenue cost, and is continually squeezed. We have inadequate resources for education and for training, yet that is the most important investment that this country can make. My hon. Friend the Member for Bath (Mr. Foster) hopes to have the opportunity to deal with that issue.

[Mr. David Chidgey]

The Queen's Speech does not contain the policies that manufacturing industry needs. It does not contain measures to free business from the strangulation of red tape. It does not do enough to provide investment to achieve the high skills we need for a knowledge-based society. We must go much further down that road before I can be convinced that the Queen's Speech addresses these issues.

6.25 pm

Mr. Jim Fitzpatrick (Poplar and Canning Town): I am grateful, Mr. Deputy Speaker, for being called to speak in the debate. I shall refer specifically to the Government's proposals on fairness at work. That should be no surprise, as I am a member of the Graphical, Paper and Media Union parliamentary group, and as a former senior lay official of the Fire Brigades Union, I would be expected to be interested in trade union law.

There has been much speculation about what will be in and what will be omitted from the forthcoming Bill on fairness at work, which is expected to begin to redress the imbalance created by the legislation introduced by Conservative Governments between 1979 and 1997. It is generally accepted that they moved employment legislation beyond fairness to create a clear bias which could be used to advantage unscrupulous employers.

The main thrust of our legislation will not present problems for reasonable companies that treat their staff with respect and dignity, but may cause difficulties for organisations that disregard their employees and do not consider that staff should be entitled to a view. Such organisations represent but a small minority of employers.

It is important to say that this legislation is not about giving power back to union barons, but about creating a framework of fairness for people in the workplace. The Prime Minister has said:

"even after the changes we propose, Britain will have the most lightly regulated labour market of any leading economy in the world."

It is important to bear those words in mind when we consider the efforts that some employer organisations have made to dilute the proposals published in the White Paper, some of which had been agreed.

The Bill will deal with individual employee rights. It is only right that the upper limit on awards for unfair dismissal should be abolished. Contrary to the view of the right hon. Member for Wokingham, I believe that reasonable compensation should be paid if an independent tribunal is persuaded that an individual has been deprived of his livelihood unfairly. The tribunal should decide how much compensation is appropriate. A £12,000 limit is potentially unreasonable and unfair. I am pleased that the Secretary of State nodded his agreement that such a provision will be in the Bill.

To allow employers to pressurise new staff to sign waiver clauses on unfair dismissal and on redundancy protection is wrong and should be outlawed. Employees are usually in a weak position when applying for work, and they can easily be persuaded to sign away basic legal rights when pressed by unscrupulous employers.

There seems to be general acceptance of the Government's proposals to reduce the qualifying period for unfair dismissal from two years to one. I believe that there is a strong case for all qualifying periods to be abolished. Workers pay tax and insurance, and are contractually bound from day one of employment. They should also be entitled to full employment protection from day one.

One aspect of the White Paper which did not attract enough attention was the promotion of family-friendly policies. It is a matter of some pride that our Government are proposing policies such as the extension of statutory maternity leave and the introduction of parental leave. Those changes will promote the family in a realistic and practical way. Those rights should be statutory, or we will disadvantage good employers who are keen to look after their staff.

On automatic union recognition, we should be looking for a procedure that is simple and less likely to cause tensions in the workplace. Many complicated formulae have been suggested: 50 per cent. plus one, which is the most straightforward; 50 per cent. plus one, plus 12 months' employment; 50 per cent. plus one, plus 12 months' employment, plus a ballot; 50 per cent. plus one, plus 12 months' employment, plus a ballot, plus individually signed forms requesting collective representation. Surely, if 50 per cent. plus one member of a work force are members of trade unions, that should indicate that the majority of staff seek representation, and recognition should therefore be automatic. Any other formula will only give employers who do not want to recognise trade unions in the first place legal loopholes to exploit, to delay and thus to frustrate.

Employers apparently accept that there should be a right to representation in disciplinary cases, but not in regard to grievances. That seems anomalous. The only reason would appear to be the fact that disciplinary action is initiated by the employer, whereas grievance proceedings are initiated by the employee. Extending trade union representation to grievance hearings is hardly radical, given that most workplaces surveyed recently had such procedures, while only a few did not allow individuals to be represented. Surely, if someone has a problem, the company involved will want it to be solved, and a trained trade union official is more likely to be able to assist in the process. Harassment at work—for example, bullying, racism or sexism—is a sensitive issue. Most employers want such matters to be dealt with through acknowledged procedures, by people who know what they are doing. Trained trade union representatives can help in such sensitive situations.

The Government intend to exclude a quarter of the working population from union recognition because they work in firms employing fewer than 20 people. If those employees have no access to trade union advice and grievance representation, that will have a negative impact on them.

As has been stated by Mr. John Monks, general secretary of the Trades Union Congress—I hope that we all share his view; certainly all Labour Members do—many of the proposed measures are designed to minimise disruption in the workplace. Fair, stable and orderly industrial relations are the goal, and the proposed fairness at work legislation will help to achieve it.

6.32 pm

Mrs. Teresa Gorman (Billericay): The Secretary of State for Trade and Industry made great play of his concern about, and even approval of, "honest failure"

in the workplace. Having considered the measures proposed in the Queen's Speech—as well as those that the Labour party has already said it intends to produce—I put it to the right hon. Gentleman that there will be much more failure in the business world because of the burdens that the Government are heaping on the business man and woman.

Let us be clear about one thing: businesses do not exist to provide social services. Social services result from the decisions of politicians, and politicians should be prepared to administer them at their own expense—at the expense of the taxpayer—rather than expecting proprietors of firms, especially small firms, to take on an added burden of work.

It should also be acknowledged that firms do not exist to promote happy families. A reasonable case could be made for the view that the Government have some interest in that, because of the social consequences that flow from unhappy families; nevertheless, it is not the purpose of a business man running a company, large or small. Businesses exist to make profits: only by doing so can they provide the jobs that we all want people to have, and pay their taxes. Ultimately, all the tax that Government receive comes from the profits of business and commerce. Firms can do what is required of them only by concentrating on running their business, rather than running Government social policies, family-friendly policies or trade union-friendly policies.

Charlotte Atkins (Staffordshire, Moorlands): Will the hon. Lady give way?

Mrs. Gorman: No, I will not. I want to be brief, because others wish to speak.

The purpose of a business is to make profits, and to run its own affairs. I find it chilling that so much of the legislation proposed in the Queen's Speech takes us back to the past, giving trade unions much more power and authority in the workplace and meaning that taxation must inevitably increase to cope with, for example, the working time directive, increased maternity leave and increased holiday time. All that will add to the cost of running a business, and, most important, will add to the paperwork and intervention that the business community will have to administer.

For instance, Labour intends to introduce new family credit arrangements, which will mean much more administration for employers. Those arrangements will involve people earning about £39,000 a year—presumably, well over half the work force. Some large organisations may well cope, because they can put up more reserves from their profits.

According to the managing director of Fiat in the United Kingdom, although larger corporations can probably cope with the legislation, smaller firms are in "a very difficult position". He says that they are

"minnows compared to union professionals",

who will be given much more power and authority in the workplace through the re-establishment of their right to form and operate trade unions, regardless of whether employers want that to happen.

We lived through all this in the 1970s, when there was chaos in the workplace. There were strikes of monumental proportions almost every other week, which were extremely destructive of our economy. Only the Conservative Government's action in bringing some sense into that chaos produced the tranquillity that we now enjoy in the workplace and take for granted, but which will end as a result of the Government's proposals.

Two female Opposition Members found that quite amusing, but we currently live in a world in which we no longer experience major national strikes. Perhaps they do not recall those days, but I do. I ran a company then, and it was hell.

Charlotte Atkins: Will the hon. Lady give way?

Mrs. Gorman: I will, briefly.

Charlotte Atkins: Surely what has replaced the alleged abuse by trade unions is fear in the workplace. Would the hon. Lady condone the actions of one of my local textile firms, which requires, at 24 hours' notice, all staff to be available from 6 am until 10 or 11 pm? Will that not completely destroy family life?

Mrs. Gorman: The hon. Lady makes a point that I took up earlier. The concept of what families do with themselves is not one for which employers are primarily responsible. If people are losing their jobs, in the hon. Lady's constituency or anywhere else, they must thank the Government for the policies that they are operating—in particular, the policies involving more regulation, which are making our businesses less competitive. Even companies such as Marks and Spencer, which has a reputation for compassion, tell us that they cannot compete in the circumstances that the Government have created.

The hon. Lady should ask her question of her own Front Benchers. The situation did not arise under the previous Government, for the simple reason that there was flexibility in the workplace. People could find jobs when an old industry died and new industries were established. That is the answer to unemployment, rather than trying to pressurise the employer to accept more responsibility.

Of all the measures that the Government are proposing, many of which will be extremely damaging to industry, I shall refer to two. One is the working time directive, under which—allegedly—individuals cannot be asked to work for more than 48 hours a week. Many Labour Members may say, "Jolly good job, too; don't let employers grind the faces of the poor." The directive will cause great problems for the Royal Mail, for example, which employs thousands of people, because its staff often work more than 48 hours a week in order to process an irregular source of material. Apparently, the post does not arrive evenly over a seven-day period. A 48-hour maximum may sound wonderful on paper, but it will interfere with the natural working patterns of large as well as small firms, the health service and other major industries.

The other item that should be mentioned in this debate is the Government proposal to remove the cap on compensation that is awarded in industrial tribunals. Such tribunals are one of the most discouraging elements of regulation with which small firms must cope. Not only do small business men have to take time off and pay for lawyers to put their case: they must find the compensation. In proposing to remove the cap, the Labour party could quite easily turn small firms into what the Secretary of State described as honest failures.

[Mrs. Gorman]

The cumulative effect of the new measures that the Government are proposing will add enormously to burdens on employers—not just small employers—and will inevitably contribute to an increase in unemployment. I am sure that Labour Members will do their very best to compensate people with higher welfare benefits, but that is not what people want. People want jobs in flourishing firms. If we are to encourage our small firms to grow and allow our large firms to survive in a competitive international market, we must stop imposing extra burdens on them.

Not surprisingly, all Labour Members who have spoken have welcomed the increasing burdens—whether they be an extension of trade union rights, an increase in time off, an extension of public holidays or a rise in the amount of compensation or damages that can be awarded against a business. Every one of those changes will make jobs more difficult to come by.

As for things such as the new deal, which Government Members trumpet whenever they get the opportunity, we all know that Government intervention—whether Conservative or Labour—in business activity invariably leads to a reduction in the amount of time, energy and money a firm is able to spend on producing a profit. Without that, without the creation of jobs and without encouraging small businesses and new entrepreneurs, jobs will be lost, which will not be replaced by artificial schemes that the Government concoct.

I realise that the Opposition think that all the measures are socially desirable, and even likely to improve—

Mr. David Jamieson (Lord Commissioner to the Treasury): The hon. Lady is a member of the Opposition.

Mrs. Gorman: I accept the hon. Gentleman's reprimand of my slight confusion. It is very difficult to believe that the sensible measures that we introduced will not be continued under this Administration.

All the proposed measures will have a harmful effect in the workplace. People will not thank the Government for introducing regulations, which ostensibly will be sold to them as an improvement in protection, when they find that they no longer have jobs.

6.45 pm

Dr. Brian Iddon (Bolton, South-East): A major delegation from the textile industry lobbied Parliament today. Hundreds of people joined us from all over the country, and members of the industry and employees made speeches. That is not the first time that they have lobbied this Parliament; several months ago, representatives from the regions came down to London. Such action shows the anxiety felt in Britain's textile industry. I welcomed the Secretary of State's statement that a meeting had taken place yesterday with the employers. I hope that some good will come from it.

I did not, however, welcome the statement of the shadow Secretary of State, who seems, all of a sudden, to be pretending to show concern for the textile industry. Those of us who represent towns such as Bolton, where the textile industry is very strong and important to its economy, remember decline and decline during 18 years of Tory government. Whenever Parliament was lobbied when the Tories were in power, all we ever heard was that they would not support lame ducks. When leading industries which are important to the economies of Italy, Germany, Japan and many other countries got themselves into temporary difficulty for whatever reason, why did their Governments deem it important to support them?

We know that the textile industry has been in decline for a long time. I shall address issues concerning that in a moment. I remind Opposition Members that, in the north-west, where the textile industry is so strong, their policies have resulted in being able to count Conservative Members for the region on only one hand. When I go to the "NorthWestminster" regional television studios, I find it humorous that those working there wonder which of the four or five Conservative Members to invite on the programme the following week. They might even consider dressing them up in different uniforms so that they look different when they appear on television.

Mr. Brady: I should like to put it on record that I am always happy to do that. Indeed, dressing up in different uniforms may even help the textile industry.

Dr. Iddon: I look forward to seeing the hon. Member for Ribble Valley (Mr. Evans), opposite whom I always appear to sit on the programme, dressed up in another costume. I wonder who he will appear as.

To be serious, the town of Bolton has a strong history in the textile movement. It was the cradle of the industrial revolution in textiles, where Crompton invented the mule, where Arkwright lived and worked for a while, and where the first mill to use the new industrial textile system—St. Helena—was built. I am pleased to say that it has been preserved, and still stands today.

If one visits a town such as Bolton today, one will not be able to count so many smoking chimneys. In fact, my constituent, Fred Dibnah, said to me in his garden the other day, "Will you tell the Minister for the Environment that I've done more good for the environment than he'll ever do in the whole of his time in Westminster?" That is probably true. From the west Pennine moors overlooking Bolton, one can see scores of textile mills. Thankfully, many of them still manufacture textiles, although others have switched to alternative industries. Such textile mills are valuable to our town and to Britain.

Let us look at the facts. Britain annually spends £25 billion on textiles. Although we export £8 billion of textiles, regrettably, we import £12 billion-worth. That £4 billion trade deficit could easily be balanced by demand in Britain. Those who lobbied the House today are asking, "Why on earth don't we start manufacturing the types of item that we import in huge volumes?" The question is very difficult to answer, whether we are talking about televisions, clothing, curtains, or anything else.

The fact is that, in the north-west, 62,000 jobs—12 per cent. of its manufacturing employment—rely on textiles. Across Britain, 370,000 employees are involved in the industry. However, many of those people are currently either facing redundancy or working short time. Let us consider the situation of a textile worker who, month after month, works one week on and then one week off. What happens when that worker goes to see the Department of

Social Security? I assure the House that, because of that work pattern, it is very difficult for that worker to gain approval for his or her application for the jobseeker's allowance. Many workers end up living for two weeks on the wages that they earn in one week, as it is almost impossible for them to get benefits out of the DSS.

Employees in the industry would be the first to admit that the strength of the pound has been a cause of their problems. However, they will also say—I have listened today to three major speeches by union leaders—that the strong pound has not been the primary problem. If that were so, why has the textile industry continued to decline over many years?

Employees in the industry tell us that lack of investment and a subsequent productivity decline has been one of the major causes of problems in the textile industry—and in all British industry. Europe's production record in the textile industry is 30 per cent. better than ours. That gap, if analysed, speaks volumes.

In 1964, when I left university, I considered going into the textile industry. I applied for a job, and was shown around a factory in Cheshire. I saw machinery that was built before the war. The people there admired the machinery and said, "Look what it's doing!" It was printing curtaining on both sides simultaneously, and producing an excellent product. However, even in 1964, the machine was not producing the product fast enough to stay ahead in the industry. Time and again, that has been the history of the United Kingdom textile industry. It has never thought about investing in state-of-the-art machinery, which is not only available but produced in the United Kingdom. We invent, produce and export such machinery, but we do not use it.

Some British industries use state-of-the-art machinery, but not nearly enough; it is about time that they—especially the textile industry—did. It is much easier, however, for textile managers to uproot machinery, export it, employ cheaper labour, and export those textiles back to the United Kingdom. That is criminal, because it makes our people suffer, many of whom have been made unemployed. Once upon a time, far more than 370,000 people were employed in the UK textile industry.

The condition of buildings is another factor in the industry's decline. We subsidise Japanese companies to come to various parts of the United Kingdom, and put them on green-field sites close to motorways to produce microchips. Why on earth do we allow our textile industry, which operates in a very competitive sector, to continue trying to produce in clapped-out mills which are often seven storeys high?

I live next to one such example, Falcon mill, in the Halliwell part of Bolton. It is very costly to take goods up seven floors and then to bring them back down again. Moreover, I dare anyone to try to negotiate round very large transporters in the narrow streets of the old industrial parts of Bolton. It is about time that the textile industry not only invested in new machinery but got itself into modern productive plant, which one can find across Italy and in many parts of Germany.

There has been little training and retraining in our textile industry, and I implore training and enterprise councils to pay more attention to that industry. If we are to invest in new plant and new machinery, we must have the new skills to operate the machinery, but TECs have not paid sufficient attention to that problem. I welcome the establishment of the National Textiles Training Organisation, which has not yet received the recognition that it deserves.

Finally, Mr. Mayor—Mr. Deputy Speaker; I apologise—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I think that the hon. Gentleman has forgotten where he is.

Dr. Iddon: Yes, Mr. Deputy Speaker; I thought that I was in the council chamber in Bolton. I apologise.

Britain can no longer produce bulk cotton or wool as raw materials. However—unlike other countries, at least so far—we are good at adding value to certain raw materials. We are very good at producing high-quality, high-value products that the rest of the world enjoys importing.

I should give a brief plug for the Bolton Institute, which provides a superb training centre for those working in the textile industry and is very good at developing fire-retardant textiles. Around the world, disasters on mass transport, and in hotels, cinemas and nightclubs, have demonstrated the desperate need for textiles and other building materials to be flame-retardant. The Bolton Institute has a very fine research group that is leading the world in inventing new ways of stopping fabrics—including everyday clothing—catching fire.

I compliment London Fashion Week, which has provided a showcase for British designers to show the world what they do. It is also helping London to catch on as one of the world's major fashion centres. Britain has some excellent schools for designers and for those working in all aspects of marketing. Sadly, however, many of our designers are still leaving Britain to live and work in France and Italy, among other places. We must not only train such skilled and innovative people but keep them here in Britain.

I do not write off the textile industry. Some very skilled people work in the industry, and some very fine inventions are waiting to be marketed around the world. I hope that the Government will accept the challenge, run with it and put British textiles back at the top around the world.

6.59 pm

Mr. Ieuan Wyn Jones (Ynys Môn): I am grateful for the opportunity to speak—I hope briefly—in the debate on the Queen's Speech, which contains many measures that Plaid Cymru Members will want to support. Removal of the right of hereditary peers to vote in the other place is one such measure, and modernisation of local government is another.

I congratulate the hon. Member for Bolton, South-East (Dr. Iddon) on saying that he supports elected mayors, at least for parts of England. We also very much welcome the proposal to legislate on the Disability Rights Commission. Of course, there will be measures that we will want to scrutinise very carefully, especially those on welfare reform in so far as they impact on the disabled, the long-term sick and the frail elderly. We want to ensure that they are not penalised in any way.

The Queen's Speech heralded one of the major constitutional changes that this House has debated for generations, and probably this century. I listened with

[Mr. Ieuan Wyn Jones]

some care to the words of the former Prime Minister, the right hon. Member for Huntingdon (Mr. Major), who passionately believes that those constitutional changes are wrong. Obviously, I approach the topic from a different point of view.

I know that the right hon. Gentleman holds his belief passionately, but I passionately believe that it is right that the people of Wales, of Scotland and of Northern Ireland should be allowed the responsibility—as in the referendum—to consider ways to promote their own affairs within their own territories. If people vote for such a change, the House should encourage them to ensure that it is not only implemented, but actually works.

That is one reason why I want to mention a couple of facts that I believe will assist the Welsh Assembly to ensure that when it is established in six months time it will work well. All of us, whatever side of the debate we were on during the referendum in Wales, now want the Assembly to work. The primary responsibility of everyone elected to the body is to ensure that it works. Once the constitutional framework is in place, it must be allowed the flexibility to deal with various issues. For example, it needs the flexibility to develop innovative, practical and deliverable policies across all the policy areas that are devolved to it.

My great disappointment is that the Queen's Speech did not deal with those specific issues. I shall give two brief examples; the first is training. As hon. Members from both sides of the House have said, one major problem is the multiplicity of organisations that deal with training. They may not be responsible for training in the strategic sense, but are responsible for its delivery. There is a great deal of confusion in the minds of employers, trade unions, young people, those who wish to return to work, those who are in work and those who need to be upskilled about the appropriate organisation to approach.

One of the difficulties in Wales is that the training and enterprise councils have a patchy record. Some have done some good work, but others have fallen far short of the standards we expect. If the Assembly, not having legislative powers, is to deal with the problem, it needs the power to abolish TECs, if it so chooses, and to investigate other ways in which training can be delivered. Plaid Cymru wants the House to recognise that that flexibility is necessary. It is why we wanted the Queen's Speech to include a short Bill to allow the Welsh Assembly that freedom.

As tonight's debate covers training-related issues, I want the House to consider a number of ways in which we could improve training throughout the whole of the United Kingdom. First, we should establish a new type of audit of skill needs and training outcomes. We need to broaden the existing skill needs research and ensure that it is done consistently. We should also audit the sort of training people receive and its relevance to current market needs. One of the problems is that many young people feel either that the training is inappropriate for them or that it is not suitable for the needs of the market in which they must work and live.

Secondly, we must make full use of the enhanced Welsh Development Agency's market intelligence to forecast emerging skill needs. One problem with our existing training provision is that it often tries to deal with current problems—with people currently out of work—rather than anticipating the skill needs of the new millennium.

Mr. Hayes: I am reluctant to interrupt the hon. Gentleman's flow, as he is making an extremely considered case. He referred to training for redundant or outdated skills. Does he agree that we need to build into the system training for adaptability—the ability to anticipate and accept change and then deal with it? That is certainly what employers say to me, and it is what I have found from my business experience. We need young people to be flexible and adaptable, and the sort of training that the hon. Gentleman wants can be built into the system.

Mr. Jones: I would not disagree with the thrust of the hon. Gentleman's remarks. However, it is not only employers who believe that that is necessary—although I accept that they do—but many trade unionists. Indeed, many young people believe that that is necessary, as do many of those currently involved in the delivery of inflexible training.

My final point is that training should be reintegrated into mainstream education, while allowing scope for specialist training, especially in niche markets or cutting-edge technology. There will be a need for specialist training provision. In what is becoming a very competitive area, it is necessary to integrate education and training rather better than we do at present. It is essential that we develop proposals and have a continuing programme of upskilling as part of the lifelong learning project.

Another area where the Assembly would need greater flexibility—although it is not the subject of tonight's debate—is health, which I wish to mention briefly. I declare an interest, as I am a member of the Royal College of Nursing parliamentary panel. The Assembly should be given the opportunity to be much more flexible in the way that it approaches health provision. I served on the Standing Committee of the Bill that set up NHS trusts in 1989. I have always believed that they were unnecessary, and a wasteful way of using national health resources, and that they created unnecessary bureaucracy and duplication of management.

The Bill that will result from the Queen's Speech needs—on the premise that it will begin to dismantle the internal market in health—to go substantially further. I want the Assembly to be given the power, if it so wishes, to dismantle and abolish NHS trusts. All that is proposed for the Assembly is the power, if it so wishes, to reconfigure trusts. Frankly, that is simply tinkering with the problem, and we need to go substantially further. The Assembly should have the flexibility to look at the whole of the health area, rather than being restricted by legislative difficulties.

When we examine the proposal to dismantle general practitioner fundholding and put local health groups in its place, we must ensure that that does not simply compound the problem through duplication of management. We should ensure that the reform does not create another tier of bureaucracy, one which does not enable us to deliver better health care in the long term. I am not saying that I am opposed to the idea, but I want to see how it is to be put into practice before giving it our firm backing.

Finally, I have two more brief points relating to health. First, I want more development of community hospitals, so that we have better integration between community hospitals, GP practices and community services. I believe that we can enhance the provision of health care in rural areas in particular, many of which are far away from district general hospitals. The provision of a more comprehensive community hospital service could bring immediate and substantial benefits.

My second and final point on health is that we are facing a massive problem with the recruitment of nurses and doctors. Time after time, under the previous Administration, we heard about an explosion in the number of managers in the health services and a reduction in the number of front-line nurses and doctors. The Royal College of Nursing has carried out an important survey, which shows that many of our hospitals are suffering recruitment problems. For example, Wales urgently needs at least 500 more nurses and 200 more midwives. Acute hospital trusts have vacancies that they cannot fill, not because they lack the resources, but because of insufficient nurses to fill the posts.

I ask the Government to give the National Assembly for Wales the flexibility to address the important matters of training and health. In so doing, they would give the Assembly a head start and ensure that, when it is established, it can do a proper job of work.

7.12 pm

Ann Keen (Brentford and Isleworth): I welcome all the Queen's Speech, but I shall focus my remarks on the fairness at work White Paper and legislation. I am vice-chair of the parliamentary trade union group and secretary to my own union group here—the General, Municipal, Boilermakers and Allied Trades Union, or GMB. The House would therefore expect me to take an interest in trade union and employment issues.

In recent discussions with Paul Kenny, London regional secretary to the GMB, we talked about whether any changes had occurred since the White Paper was issued in July. He replied that it was obvious that companies now wanted to talk, having realised that legislation was coming through. They were asking the GMB what benefits it could bring to their company, and what sort of relationship they could expect with the unions if talks started. That marks a different approach by the trade unions than the one described by the hon. Member for Billericay (Mrs. Gorman), who is no longer in the Chamber. It is about co-operation, partnership and talking; it has already started and it is accelerating.

If that relationship is absent, and if open discussion does not occur, the result is the situation that we are on the eve of changing. An example can be seen in a company that I have mentioned in previous debates—Noons, in the constituency of my hon. Friend the Member for Ealing, Southall (Mr. Khabra), in which constituents of mine are employed.

For a year up to the publication of the White Paper, the company had been engaged in a bitter battle with its work force. More than 500 people work in the company, which prepares Asian food for large supermarkets. The bitterness was entrenched and there was no talking—an old-style approach. The company had challenged the union representatives, there was intimidation and an extremely stressful environment. Now—tomorrow, I believe—an agreement is to be signed. The parties are talking, and a positive future beckons for that company. Congratulations should go to both sides, because it is only when both sides agree to talks that good results can be achieved.

However, some of my other constituents, whom I met recently, are not so lucky. They work in the London casinos, which are not usually perceived as a bedrock of trade unionism. The casinos wage a war of words, and there are constant legal challenges, conflicts and recourse to industrial tribunals. The whole approach emphasises the differences. I want my Government to include in their fairness at work legislation a small and simple procedure to ensure that bad bosses have no room for manoeuvre—no room to use expensive delaying tactics and legal challenges when a ballot has taken place and democratic procedures followed. I hope that the Government will address that problem in the Bill.

I am sorry that the hon. Member for Billericay is not here to hear my comments on family-friendly policies, because such policies are crucial to the future stability of the work force. If employers do not take care of the work force, how can they expect the loyalty and commitment from their employees on which many small businesses rely?

Like the hon. Member for Ynys Môn (Mr. Jones), I want to talk about the health service from an employment perspective. I am a member of the Select Committee on Health, which is examining recruitment and retention of staff. We know that part of the problem with retention of staff relates to employment practices in the national health service.

The NHS is the largest employer in Europe. I hope that we now have a Government who will look at employment practices within the NHS, and that all staff, across the spectrum, will be entitled to family-friendly policies. That is not only a slogan. My profession is nursing, and I know of many occasions when part-time work has been asked for, but not given. The attitude encountered is that of the old school: "I work full time, I started my shift at 7.30 am, I did not have child care, so you can do it too." The problem is that staff are not doing it, and they are not staying. At last we have a Government who are working in partnership with the health service and saying that, if staff are to stay in a difficult job, they must be cared for.

When the chief executive of my local hospital, John de Braux of the West Middlesex University Hospital NHS trust, was asked recently about problems with the millennium bug, he said that, until the Labour Government were elected in 1997, there had been no investment in his hospital for more than 25 years, so he was happy with the equipment being up to date and able to cope with the millennium bug; however, he remained extremely concerned about staffing levels. The staff who were on duty that night or that week were not his sole concern; he also had to take into account their domestic circumstances.

Many nurses are married to ambulance workers, and ambulance workers sometimes marry fire officers. That can lead to complex problems of the type facing Mr. de Braux—who is to look after the children and so enable his staff to come on duty? I had not previously considered such problems, and I am telling as many of my colleagues as possible that it is something that they should examine in the context of their local area. Family-friendly policies are crucial.

[Ann Keen]

Trade unions are now encouraged to work in partnership. The Government are right to promote such an approach, and they should be congratulated on doing so. However, we need to consider how to protect vulnerable people at work—people working in small units, subject to bad bosses who still look for loopholes that will enable them to avoid trade union recognition, and having to ensure that working conditions are adequate. So I urge the Government to look at the Bill to see whether procedures can operate in that way. It is the only way in which everyone can work together. Working together with the trade union movement is a positive approach to the next century.

7.20 pm

Mr. Howard Flight (Arundel and South Downs): I should like to talk about trade, industry and employment from the point of view of someone responsible for a company employing some 450 people around the world. In the private sector, survival is about covering one's costs with a margin. Government action and legislation that add to those costs directly affect employees.

The Government's objectives, as expressed in the Queen's Speech, are to achieve high and stable levels of growth and employment and to improve productivity through measures addressing competition, investment and entrepreneurship. We all share those objectives. Governments will always engage in propaganda and are entitled to do so, but I am concerned that the present Government believe that the policies that they have been pursuing and advocating will achieve their objectives. That is not the perception of those of us who live in the real world.

I shall concentrate on small business. In his Budget speech, the Chancellor had much to say about the Government's support for and encouragement of small business and entrepreneurs, although I have found no such references in the Queen's Speech. I perceive that the Government are doing grave damage to small business. They are listening to the chairmen in big business, who lead easy lives, rather than paying attention to the problems that their measures are causing small business. My hon. Friend the Member for Billericay (Mrs. Gorman) has already made some of the points: I shall highlight one issue in particular.

During the summer—I think it was 10 September—a national insurance regulation was slipped through that imposes a massive tax on small business: the very business that the Chancellor said he was trying to encourage. When small companies are set up, entrepreneurs have shares in them. Now, if those businesses start to succeed and, under typical buy-out ratchets, the shares convert from one class to another, they face a substantial tax. Next year they will pay 12.2 per cent. in national insurance. Typically, 30 per cent. of the equity of a company may be affected. Although no one will have realised any money, some businesses will be hit by a massive tax of some 5 per cent. of their market value.

Still to come is a similar tax. When a business is floated to raise money, and the options that entrepreneurs may own need to be sold as part of the issue, there will be a tax of 12.2 per cent. on their value. How on earth can the Government say that such measures are supportive of entrepreneurs and small businesses?

I could cite other measures that will be equally damaging to small businesses. The working families tax credit, to which others have referred, will place a massive burden on under-resourced small businesses. Trade union negotiations represent yet another burden on businesses with 20 employees, as will the costs of extended maternity leave. Those and other very nice measures are desirable in principle, but will not keep a small business afloat. Small businesses cannot have people disappearing all the time.

In the financial services sector, quite unfairly in some cases, two measures will drive small independent financial intermediaries out of business. Many consider that a desirable objective. It will no longer be possible for many small businesses to compete and to comply adequately with rising regulation and bureaucracy.

First, I should like to know why the Queen's Speech contained no reference to the assertions by the Chancellor of the Exchequer. Was it all just hot air? Secondly, I should like the Government to do what the Chancellor claims they are doing, and not to damage small business.

The Government promise to improve levels of growth and employment. I agree with my right hon. Friend the Member for Huntingdon (Mr. Major), who asked whether the Government were aware of what is going on. The Organisation for Economic Co-operation and Development, which is a conservative organisation that does not support any one political party, has warned that the United Kingdom will be lucky to achieve 0.8 per cent. growth next year and 1.5 per cent. growth in 2000. It warns that unemployment here will rise by 500,000 during 1999-2000, and that Government debt will be £36 billion over what has been forecast.

The Confederation of British Industry—a great friend of the Labour Government and not exactly an organ of the Opposition—has found the lowest level of business confidence in the United Kingdom since 1980. It predicts a sharp downturn, with considerable risk of outright recession. Consumer confidence is declining, and the level of consumer spending on credit cards is at its lowest since records began in 1993. New orders are at their lowest since 1991, and exports are at their weakest since records first began in 1977. Ours is hardly an economy that will achieve nice growth and in which employment will increase; it is likely to decrease substantially.

Others have referred to the economic background. The Government have introduced £40 billion-worth of extra costs and taxes on businesses, and plan to spend an extra £37 billion on social security. The extra taxes and regulatory costs on businesses are equivalent to £1,500 per job.

It is interesting to step back and look at continental Europe and America over the past 25 years. The US economy, which does not have overdone employment laws but an open labour market, has created some 40 million new jobs in the past 25 years. Continental Europe, which has restrictions and regulations—all in a good cause—towards which our Government are now moving with increasing enthusiasm, has lost 15 million jobs in the past 30 years. That is a pretty clear demonstration that increased employment costs that make it more difficult for small businesses price people out of work.

Mr. Chris Pond (Gravesham): Is the hon. Gentleman aware that, over the period to which he refers,

although net employment growth in the United Kingdom was 3 per cent.—it subsequently declined—it was 11 per cent. in Germany, 18 per cent. in Italy and 6 per cent. in France? On the whole, continental Europe did rather better than the United Kingdom, despite the deregulation policies that he supports.

Mr. Flight: With the greatest respect, I dispute the hon. Gentleman's figures. The other day, I saw with some astonishment that the number of people employed in Germany was 29 million out of a population of 80 million, whereas the number of people employed in this country was 27 million out of a population of nearly 60 million. I do not know from what base the hon. Gentleman calculates the growth rate in Germany, but more people are out of work in Germany than has been the case since before the second world war, whereas this country has the lowest unemployment rate of any economy in Europe.

I do not think that anyone in the business world is taken in by the fairness at work agenda. Fairness at work—a silly euphemism—is about settling the account with the trade unions and moving in line with European employment regulations, or, rather, job-destroying regulations. In horticulture, for example, which employs 30,000 people, the directive on part-time workers will destroy many jobs; the industry cannot afford to provide all those who, under prior arrangements, work fewer than 20 hours a week, with the contracts, terms and benefits of full-time employment. The directive will mean that large numbers of employees, especially females who want part-time employment, will lose their jobs.

The fairness at work Bill will enforce trade union recognition. As the CBI has pointed out, good employee relations should be built on trust, which is not best fostered when trade unions have imposed collective bargaining on an employer. On smaller industries, the CBI has said that the removal of the cap on unfair dismissal compensation will drive many people out of business. I know from direct experience of employers' concerns about the liabilities that may arise when someone is not suitable for a job. It can be two years before one knows whether an employee will fit in, especially in a highly skilled job, and there is now a major deterrent to employing anyone in such a post.

The Government have undergone a sudden conversion to the McKinsey report, although they do not refer to its main points on lower productivity. The fact that the many people in this country who have been employed in lower-paid jobs would be unemployed in continental Europe must be put into the equation if the productivity figures are to be comparable.

As my right hon. Friend the Member for Huntingdon said, the state of the economy is partly the Government's fault and partly a result of what is happening in the rest of the world, but the Government's actions will lead to declining levels of growth and to 500,000 fewer people in employment. The third way—guff, as far as I can see—is a reversion to Labour's bad old ways. It is about higher taxes and higher Government spending, especially on social security. The Government are restoring the economically damaging trade union process that was shown not to work in the 1970s—the laws were often impossible to enforce.

Entrepreneurs are becoming demoralised, and are once again leaving the country in droves. The future will not be successful unless small companies and new businesses prosper, as the American experience over the past 10 years has shown. I know from my own business that the only tangible result of the working time directive is the need for additional clerical staff to keep records of the hours that everyone works. What a waste of time. People who work in business are keen for their businesses to succeed, and are more than happy to work whatever hours are necessary, but they have to carry out unnecessary bureaucratic tasks to comply with yet more Government regulations.

I see nothing in the Queen's Speech that is positive for trade, industry or employment; indeed, I see a great deal that is negative. In the current global climate, much more should have been positive.

7.35 pm

Mr. Chris Pond (Gravesham): Like other hon. Members, I want to speak about the fairness at work agenda and family-friendly employment policies, to which the hon. Member for Arundel and South Downs (Mr. Flight) referred. I want particularly to deal with parental or family leave, which I believe will have a significant impact on a large section of the population. I pay tribute to my right hon. Friend the Member for Camberwell and Peckham (Ms Harman), who made a powerful speech based on her long commitment to these issues—I am pleased to support much of what she said.

Family-friendly policies were the subject of light-hearted criticism from the hon. Members for Arundel and South Downs and for Billericay (Mrs. Gorman). The hon. Lady said that business did not exist to create happy families, but does she believe that people exist to create a healthy balance sheet in business? I suggest to her—I am sorry that she is no longer in the Chamber—that there should be a partnership between families and business; the most effective and prosperous businesses are those that invest heavily in, and regard as their most important asset, the people who work for them.

Mr. Brady: Will the hon. Gentleman give way?

Mr. Pond: I want to make a little progress, but I shall give way later.

An extension of parental—as opposed to maternity or paternity—leave would have a significant impact. One in five people are parents of a child under five; indeed, I understand that one in eight hon. Members are parents of a child under five. None of us can pretend that the Palace of Westminster leads the way in promoting family-friendly policies. Any institution that begins its main business an hour before schools close and continues until an hour at which even the most recalcitrant child should be fast asleep in bed cannot describe itself as family-friendly.

I do not complain about that. I have a five-year-old child but, like so many other hon. Members with young children, I find that the Whips are flexible and accommodating when it is necessary to put home before work. Attitudes in the House have changed to some extent. In 1979, the then Member of Parliament for Leicester, West promoted a private Member's Bill to introduce seven days' paternity leave. It was described by Conservative Members as grotesque, absurd and an incitement to a population explosion.

[Mr. Pond]

I had thought that those attitudes had changed, until I heard the shadow Secretary of State describe such proposals as economic illiteracy. Indeed, I must correct the hon. Member for Billericay. She said that the working families tax credit could be paid to people with salaries of up to £38,000 a year and so would cover up to half the population. That example applies only to those families with five children under the age of 11, and I do not think that even the hon. Lady believes that such families constitute half the population.

I was fortunate that, when my child was born, I worked for an organisation—the Low Pay Unit—which took family-friendly policies seriously. The weeks that I was able to spend with my daughter at the beginning of her life formed a bond between us which will be long-term, enduring and sustainable. In thinking about reforming the Child Support Agency, perhaps we need to think also about ways in which we could encourage that commitment by fathers to their children at an early stage—which may make institutions such as the CSA less necessary.

It is sad that many relationships between adults break down and end in separation or divorce, but the relationship between a parent and a child should never end, under any circumstances. The policies proposed by the Government to promote family or parental leave will assist in the process, and I fully support the Government.

The measure will not just assist fathers. In Europe and America, 55 to 60 per cent. of working women supply half or more of the family's household income—those figures are from the International Labour Organisation. In just over 10 years' time, the ILO tells us, 80 per cent. of all women in industrialised countries will be working outside the home throughout their child-bearing years. The Government's welfare-to-work strategy is intended to promote further opportunities for people to work if they wish to do so—even when they are parents.

If the employment responsibilities within the household are to be more equally shared, so too should the parenting responsibilities. That is why the policies are so important. At present, many fathers find it difficult to be actively involved in their children's lives. The average working week for fathers is 20 hours longer than for working mothers, and four hours longer than for other employed men. More seriously, men's working hours tend to increase when a new child comes into the family. At the very time when it might be argued that a father's role is so important, many feel that they have no choice but to work longer hours to meet the additional costs of that new mouth to feed. That is bad for children and for their families.

The Family Policies Study Centre tells us that the culture of long working hours may pose a threat to the stability of family life, and a major survey has shown that one in four fathers work more than 50 hours a week and that their absence had a detrimental effect on joint family activities.

The hon. Member for Arundel and South Downs may be sceptical about the working time directive, but I wonder what he would say to the person who, not so long ago, wrote to the Low Pay Unit to say that she was expected to work 112 hours a week, night work, for £150 before tax. That is not a matter of choice. Very often, it is a matter of someone saying, "Either you work these hours or you have no job."

The current situation is bad for children and families, but it is also bad for the economy and society. A MORI survey, commissioned by the Daycare Trust, found that three quarters of employers believed that there was a business case for family friendly employment policies.

Mr. Brady: The hon. Gentleman has helpfully come back to the point on which I first wished to intervene—the argument that there is a business case for the measures. I am sympathetic to that argument, and many business men would agree that one can run a more effective and productive work force by being generous and accommodating to employees. Surely that is an argument against legislating in those areas. If productivity can be improved and businesses can improve their performance, one does not need to legislate to force such proposals on them.

Mr. Pond: The hon. Gentleman's point underlines something that I was about to say. The chairman and chief executive officer of Xerox agrees with both of us that family-friendly working practices are a "powerful business tool." That was what he told a conference in September, and he added that, as a result,

"workers are more efficient, productive and satisfied in the job."

The difficulty is that, if such matters are left solely to voluntary arrangements—as the Federation of Small Businesses has pointed out—firms will be at a disadvantage in terms of the recruitment and retention of staff. The large firms which can afford to get the competitive advantage of looking after their staff well will do so, and there will be a further squeezing out of the small firms sector.

Mr. Brady: Will the hon. Gentleman give way?

Mr. Pond: No, I wish to make a little more progress. I am sure that I will return to the point in a few moments, and I may allow the hon. Gentleman to intervene again.

The current situation is bad for society as a whole, and inadequate fathering has an impact on a child's social development—as reflected in juvenile crime, marital break-up and stress. The House should take seriously the wish of 80 per cent. of eight to 15-year-old children who want to spend more time with their fathers. I am pleased that, as a result of the proposals, they will be able to do that.

To be effective and equitable, parental leave should be paid—as is the case in most other EU countries. I am pleased that the Government are considering the introduction of paid paternity leave, as confirmed by a written answer in *Hansard* on 11 June.

I believe that the principle should be extended to family or parental leave generally. Many employees have a contractual entitlement to such leave. Even when no payment exists, higher-paid employees may well decide—and often do—that they need to take time off around the birth of their child. For low-paid employees, that is not an option—unless parental or family leave is paid. Half of families with children under five say that they are only just making ends meet. They cannot afford to take time off, even though that may be the right thing for their

children at the time. For that reason, the arrival of a child may result in those fathers working longer hours, rather than fewer.

As my right hon. Friend the Member for Camberwell and Peckham asked, what is a responsible parent to do in those circumstances? When a new child comes into a household, most would say that it is the role of both parents to be involved. However, a responsible parent on a low wage without paid parental leave may decide that the most responsible thing to do is to work even longer hours—even if that means that they are not available—to supplement the family income at a time when that is necessary.

The small firms sector has made it clear that it does not find difficulties with the proposals, despite what Opposition Members have suggested. At the launch of the parental leave campaign organised by New Ways to Work, the Federation of Small Businesses said that payment for parental leave would not be a difficulty for small firms, assuming that it was reimbursed easily to overcome possible cash-flow problems.

Parental leave is a feasible policy that will certainly benefit families and children, and society as a whole. I believe also that it makes good business sense. I warmly welcome the proposals in the Queen's Speech, and I look forward to seeing them brought into legislation.

7.48 pm

Mr. Graham Brady (Altrincham and Sale, West): I am pleased to follow the hon. Member for Gravesham (Mr. Pond), as it gives me an opportunity to point out a profound illogicality in his remarks. He said that there was a business case for the proposals, and seemed to suggest that there was a business case only for large companies which would gain a competitive advantage. However, he went on to say that small businesses would be disadvantaged. If there is an advantage for a business—large or small—surely small business will embrace the proposal as well, and will not suffer a competitive disadvantage.

The hon. Member for Bolton, South-East (Dr. Iddon) may not always remember where he is, but he always remembers what he believes. There is no doubt about his passion for representing the interests of Bolton and the north-west. Sadly, he invariably reaches the wrong conclusions about how the best interests of that city and our region can be pressed forward most effectively. The great prosperity of Manchester and the area that he and I are privileged to represent was built through free markets: it was built through enterprise, not through the socialist regulation that the Government have foreshadowed in the Queen's Speech.

It is a great and refreshing thing, though, to hear a Labour Member setting out an honest set of beliefs, in stark contrast with what we hear from Ministers, who get themselves tied up in trying to justify some of their proposals in a rather illogical fashion. The Secretary of State for Trade and Industry may have betrayed the reasons for that, as well as the low regard that he has for many of his Cabinet colleagues, when he described the Government as half-intelligent—although that may have been flattery.

The fatal flaw in the Government's economic and business policy is that they are making it progressively more costly to produce goods in this country as compared with competitor countries throughout the world. It is bizarre to hear Ministers repeatedly talking about their belief in greater labour market flexibility, precisely when they are decreasing that flexibility. That will cause a progressively worse problem for British business at a time when world and domestic economic trends suggest it is likely to be least able to cope with added burdens.

It never fails to amaze me how the Government use a word to mean the exact opposite of what the rest of us understand by it. That appears to be the case with the word "flexibility". The game was given away to me when I went to Brussels with the Employment Committee and we had a meeting with Padraig Flynn, the Social Affairs Commissioner, who, just after the Prime Minister had come back from the so-called jobs summit, said to me, "Oh, no. We are not talking about flexibility but about positive flexibility." I apologise to hon. Members for my poor impersonation, and perhaps I should apologise to the Commissioner, too.

Mr. Flynn said that the agenda of the European Union, with which he believed the Government were entirely in accord, was not about creating greater flexibility, as any normal commentator or outside observer would understand it, but about something entirely different, called positive flexibility, which in fact meant the opposite. When I asked the Social Affairs Commissioner which country he thought had the most flexible labour market at the moment, he said Denmark, not the United Kingdom.

A few days ago, I put the same question to the Secretary of State for Trade and Industry, who gave an even more remarkable reply, saying that the United Kingdom had the most flexible labour market. It is odd that the right hon. Gentleman seeks to take credit for that, when the whole thrust of his policy will make our labour market less flexible.

The Government would be wise to consider the great Conservative achievement of the past 20 years in freeing up the British economy, making it more flexible and competitive, and allowing a more responsive employment market to develop. Those things can be destroyed overnight, but they are very difficult and time-consuming to put in place.

That was brought home to me last week when I had the privilege of addressing a seminar in Bonn, where the British Council's hospitality was adequate, but not exotic. One of the other speakers, a German economist from the Kiel institute for world economics, presented some very interesting findings, in particular a comparison between the UK and west German employment markets. He was careful to remove the effect of reunification from the comparative figures.

That economist's graphs showed that the decline in manufacturing employment in both the United Kingdom and west Germany had followed a broadly similar trend, but that in the former that had not led to a constant trend increase of unemployment as it had in the latter. The inescapable conclusion is that the more flexible, freer labour market, and the more dynamic economy built up in this country by Conservative Governments, can deliver higher levels of employment and is the fundamental reason why our unemployment is at only half the level that prevails in Germany.

It is a great cause for concern that the direction of European Union policy may make things much worse. The Social Affairs Commissioner clearly has an agenda

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of raising social and employment costs, and members of the Government, along with their socialist colleagues in Europe, have signed up to increased labour costs and reduced flexibility. The programme has serious potential consequences for the UK economy.

In line with frequent comments from the German Government, the head of customs and revenue in the European Union stressed in the *Evening Standard* today that the single currency will be the engine driving taxation issues. It is becoming increasingly plain to everyone outside the Government that achieving and maintaining convergence in a single currency area will have numerous implications, with harmonised social, employment and taxation regulations and law. It is time that the Government recognised that and stopped risking leaving the British public to make decisions in the dark.

We do not yet know what will be proposed in detail, after a protracted debate in the national newspapers between the left wing of the Labour party and the trade unions on the one hand, and the Secretary of State for Trade and Industry and the Confederation of British Industry on the other. He appears to be trying to please both the unions and the CBI.

We do not know exactly what the final fairness at work proposals will be, but it is certain that they will increase costs on businesses and make it less efficient to run them in the United Kingdom, with a damaging effect on employment. That was perhaps recognised by the Secretary of State in his opening remarks, when his only proposal to help enterprise was to remove the stigma of business failure. Perhaps he was quietly recognising that his one achievement on enterprise and business will be to oversee the closure of far more businesses, with far more people put out of work.

Today, we have read that we had the highest ever trade deficit this month: £2.5 billion. That will be made worse as the cost of producing goods here increases relative to the cost elsewhere. The new deal programme is vastly expensive and has only one distinction: that it has completely arrested the decline in unemployment in the target groups, and possibly even turned it around.

It is a remarkable fact that, in April to July 1997, 27,000 18 to 24-year-olds who had been unemployed for six months or more came out of unemployment, whereas, in January to April 1998, unemployment in that age group increased by 1,226, and in April to July 1998—the first quarter when the new deal was effective—only 2,500 came out of unemployment.

The figures showing whether employability is being enhanced are perhaps more damning still. The likelihood of 18 to 24-year-olds remaining unemployed for nine months if they have already been unemployed for six months is increasing. In July 1997, the likelihood of still being unemployed after nine months was 60 per cent: in July this year the figure had risen to 64 per cent.

The Government promised to put young unemployed people back into work, but they have failed. The Government said that their new deal programme would increase employability. That is difficult to define, and therefore to judge, but the figures are beginning to make it clear that the Government are also failing at that.

The new deal programme will not even compensate for the massive increased costs to business that the Government have created. It will not compensate for the cost of the minimum wage or of the working time directive. Perhaps more important—I made my point about the Engineering Employers Federation's submission earlier in an intervention in the speech by the Secretary of State for Trade and Industry—the new deal programme will not compensate for the enormous burden of regulation and record-keeping that the Government's proposals will force on to business.

I turn to the Government's achievements, or rather failures, in education. Education is vital for the well-being and development of our children, as well as for our economic success. I am sure all hon. Members would agree that this country has not had the strongest educational record, and that has been true for some time.

Ms Candy Atherton (Falmouth and Camborne): For 18 years.

Mr. Brady: It is longer than that since this country had the best performance in education, which we would all like to see. The hon. Lady and her party would be wise to seek to improve what is failing, rather than to break down what is succeeding. I represent an area with some of the best schools in the country, certainly in Greater Manchester, where we have a selective education system, with good grammar schools and good secondary modern schools. I am concerned that one of the Government's priorities was to introduce a programme to destroy good schools rather than to improve bad ones. That is also the case in the foolish and wilful destruction of the grant-maintained schools, which have achieved so much already and could have achieved so much more in raising standards in education.

My hon. Friend the Member for Maidenhead (Mrs. May) and I both had the pleasure of serving in Committee on the School Standards and Framework Act 1998, as did the hon. Member for Plymouth, Devonport (Mr. Jamieson), who cannot say so, even from a sedentary position. I am happy to give him credit for the many hours that we enjoyed in Committee.

Mr. Don Foster (Bath): Ahem!

Mr. Brady: How could I forget the hon. Member for Bath (Mr. Foster)?

In the debates on class sizes in Committee, we raised several concerns that what started as a laudable objective could go horribly wrong for schools and for the Government. I take no pleasure in the fact that many of those concerns have already started to come back to us in constituency mail. Some schools are concerned that their budgets will be hit; others fear that they will lose members of staff because their rolls are falling; yet others think that they will lose teaching assistants as a result of the Government's policy. The Government's record to date is woeful, and suggests that they will reduce educational attainment rather than improve it. The Queen's Speech contained no proposal of any consequence to address those problems or to try to raise the standard of the Government's performance in education.

The Queen's Speech foreshadowed increased costs for business. Its proposals will put more people out of work, make it harder for Britain to compete in the world and fail to provide any new hope to children for a better standard of education to improve our performance in the future.

8.4 pm

Ms Candy Atherton (Falmouth and Camborne): My speech welcoming the Queen's Speech was going to be much longer, but the speeches by my hon. Friend the Member for Gravesham (Mr. Pond) and by my right hon. Friend the Member for Camberwell and Peckham (Ms Harman) have allowed me to shorten my contribution. Both spoke about children and the effect of work on the family.

As a member of the Select Committee on Education and Employment, I have an especial interest in our plans to develop the new deal, and it is appropriate to talk about that, given the speech by the hon. Member for Altrincham and Sale, West (Mr. Brady). I also wish to talk about employability and fairness at work. I pay tribute to the members of the employment service in Cornwall, who have worked hard to become a beacon as pathfinders for the new deal for 18 to 24-year-olds and as pilots for the 25-plus group. I welcome today's publication of the new deal document for the under-25s, which illustrates the innovation that the Government and the employment service are putting into developing the new deal.

Cornwall especially will build innovatively on existing programmes. For example, one project will enable older workers with experience in declining industries to use their experience in growth industries. Another project has been successful in helping workers to transfer into woodland management and timber processing. In a part of the country such as Cornwall, which has lost tin mines, where farming has been in decline and fishing has had its problems, new opportunities through the new deal are to be welcomed.

I was privileged to serve on the Committee that considered the National Minimum Wage Bill. When I am a lot older than I am now, one of my favourite memories of Parliament will be the faces of Conservative Members as they realised that they faced all-night sittings of the Committee because Labour Members were determined to force through the national minimum wage. The Conservatives realised that they were going to be there all night and into the afternoon, because we were committed to our manifesto commitment to get rid of poverty wages. I was proud to be part of introducing that historic measure to provide fair wages for a fair day's work. Let me warn the Conservatives that we shall not let them get away with holding up our Bills in this Session, either.

I look forward to the fairness at work legislation. As a Cornish Member, I am glad that it will address various issues. Take South West Water—actually, somebody: please take South West Water. It has the highest bills and the lowest performance indicators in the country, not to mention some diabolical plans that it has implemented or intends to implement in my constituency. On top of everything, South West Water has de-recognised Unison. Despite the support of the overwhelming majority of workers for the union, the company refused point blank to recognise it.

The fairness at work legislation will remedy that situation. It cannot be right, when the majority of workers wish to be members of a union, that a large employer, such as South West Water, can refuse to recognise it. That unfairness needs to be addressed.

I hope that we shall also see an end to the blacklisting of union members. Hon. Members will not need reminding of the appalling treatment that many people have suffered at the hands of the Economic League and others. The end of that situation will be welcomed throughout the country.

Much in the Queen's Speech will be welcomed by women. My right hon. and hon. Friends have discussed parental leave, which will give mothers and fathers individual rights, not transferable between them. I can think of few more family-friendly policies than that. Parents will be able to use their leave to attend school events, provide child care, or simply bond with their child. I hope that Opposition Members will reflect and support that proposal. Conservative Members talk of the cost to industry, but imagine the savings to industry if fewer family breakdowns occurred. Policies that support parents in raising their children should be supported even by some of the ayatollahs on the Conservative Benches.

As a Cornish Member, I welcome the news that there will be reform of structural funds. We in Cornwall look forward to the new year, when final areas are to be announced. With the lowest gross domestic product in the country, we look forward to some good news in 1999.

I very much support the Queen's Speech. Apart from the obvious big battles that stretch before us, such as reform of the House of Lords—something that I particularly welcome—it is clear that Bills that focus on fairness at work, for example, will improve the lives of men and women throughout the country. That will build a stronger partnership between workers and employers, provide necessary protection and lead to new ways of working.

8.11 pm

Mr. Don Foster (Bath): We have had a fascinating debate so far, and one enlivened with some powerful speeches. I refer particularly to the contribution of the hon. Member for Gravesham (Mr. Pond). I wish to place it on record how much I agree with every one of his remarks. It is appropriate also to refer to the hon. Member for Kingswood (Mr. Berry), who spent a large part of his speech praising others who have worked hard on disability rights. It would be inappropriate for the debate to conclude without reference to the significant effort that he has put into forcing through disability rights. I put on record, from the Liberal Democrat Benches, our support for the work that the hon. Gentleman has done.

Predominantly, the debate has been about trade and industry matters. However, it is billed as a debate that is intended also to cover education and employment. I hope that the House will not object if I use the few minutes that are available to me to pick up one or two issues relating to those subjects.

I am sure that the House will be aware that I would have liked many education and employment issues to be set out in the Gracious Speech. For example, I would have liked to see a Bill relating to lifelong learning. The Government have made some good progress in that direction, but they have so far failed to acknowledge the vital importance of a strategic planning framework for lifelong learning. A Bill would be very important.

I would have liked to see a Bill taking forward further developments in early-years education. We know that the Government have committed themselves—the Labour party did so in its manifesto—to developing high-quality early years education for three-year-olds as well as for four-year-olds. However, unfortunately, despite the

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questions submitted to the Department, we still have not received from it a commitment on when the extension will take place. Legislation to bring forward that extension, while at the same time adding to the Government's proposals for early-years education, would be important.

I would like to see an agreement on both sides of the House that there is a need to have a specific key stage for the early years, perhaps to be called a foundation key stage. It seems odd that, while both sides of the House have recognised that the early years in education are the most important, and although we have key stages 1, 2, 3 and 4, we do not have a specific key stage for that phase.

I would have liked to see other proposed pieces of education and employment legislation in the Queen's Speech, perhaps those covering all aspects of employment. I would have liked also to see proposals for age discrimination legislation going further than the Government's current plans to have a non-statutory, non-binding code of practice. I would have been pleased to see specific statutory legislation proposed in that regard.

It seems from the Queen's Speech that there is to be no new legislation for education. In a sense, I am expressing disappointment, because I have said that I would like to see references to certain pieces of proposed legislation. In another sense, I confess to some relief. I have been in the House since 1992 and, during every year since then, I have served on Committees considering one, and more often two, major pieces of education legislation. That is my personal relief, and no doubt the Secretary of State shares it. We are delighted to see the right hon. Gentleman in his place this evening. I know that he has a busy schedule. He may have had to make some difficult changes so as to be with us this evening. I suspect that he may not be pleased about that, but that he is pleased that there is not to be specific new education legislation.

I suggest to the Secretary of State and to the House that there is an additional benefit in there being no new education legislation. There has been a tendency on the Government's part to be rather quick to grab the headlines with some good, innovative and exciting education measures, many of which that we support, without having necessarily worked out all the details.

The hon. Member for Altrincham and Sale, West (Mr. Brady) referred to legislation on class sizes, which is a good example. Most hon. Members would support the Government's intention to reduce class sizes. Indeed, many of us would like them to go further and reduce class sizes for key stage 2 as well, and in due course reduce class sizes, at least for the practical subjects, in secondary schools. However, there is no doubt that previous legislation has been rushed through and that many of the details were not sorted out in time.

Bits of sticking plaster have been placed on top of sticking plaster. The sums of money that were originally intended to be sufficient to cover the costs of reducing class sizes were demonstrated clearly to be inadequate, and more money has had to be found.

There is also the problem—there are many other examples—of admission policy. Despite the new admission guidance brought out recently by the Department, many parents still believe that it is important for them to get their child into the reception class of a school even though they do not want their child to go to it—perhaps because it is an overcrowded reception class—merely to guarantee a place at the statutory school starting age. To solve this problem, the Government have offered what I believe to be the ludicrous proposition that reception classes can leave a place open. Under the current local management of schools formulae, that will not work. What school would leave a place open and lose the money associated with it?

The House will know that my party did not support the introduction of student tuition fees. There were problems in the early days involving gap-year students. Later on, and very recently, there have been problems associated with the analysis of parental income of non-United Kingdom European Union students.

I have given some examples of where details have not been worked out. I suggest to the Government, and particularly to the Secretary of State, three specific areas where they could use the year ahead of us to get some of the details right. I choose the areas of target setting, the bidding process and issues relating to the new deal.

There is no doubt that the Government are right to believe that target setting can be a key tool in levering up standards. We support them in that. However, the issue is whether the targets that are being set are the right ones. I suggest that the Government, by rushing through their proposals, have not arrived at the right target. I refer to the literacy and numeracy targets for key stage 2. The Secretary of State has expressed himself as deeply concerned about literacy and numeracy standards, and rightly so. The right hon. Gentleman has therefore set what he claims to be tough targets. They are so tough that, if 80 per cent. of pupils do not reach level 4 in key stage 2 in literacy, and 75 per cent. do not reach it in numeracy by 2002, he will resign. Those, he claims, are tough targets.

I truly believe that there is no question but that those targets will be met, not only in time but, I suspect, a year ahead of time. In my view, they are not tough targets. Instead, they are politically expedient targets. More important, there is a fallacy within this target-setting agenda, for the simple reason that the Government have rightly expressed their desire to remove social exclusion. The Chancellor of the Exchequer promised at the Labour party conference that the Government would abolish social exclusion as we understand it. Yet, if targets are set so that 80 per cent. of children have to reach a particular level while the other 20 per cent. have no target, there is no incentive for teachers to work to ensure that the children at the bottom end of the ability range, who have no chance of hitting the target, will have their standards raised. That is a real problem. It almost takes us back to the horrid days of the old 11-plus exam.

There is an urgent need for a rethink of target-setting procedures so that there are targets for those at the bottom end of the ability range. The latest evidence from the Department's own figures shows that the results of children at the bottom end of the ability range simply are not moving upward, although the results of the remainder are moving pleasingly. There is a growing gap between the successful and the unsuccessful. That is evidence of growing social exclusion, not of its removal.

My second point relates to the bidding process. The Government have made additional money available for education, and we have said that we are pleased by that.

We have campaigned for it for a long time. My concern is the mechanism that is being used to ensure that the money gets to the right place. Often the additional money must be bid for. Since the Government came to office, more than 16,000 bids have been produced by local education authorities. A lot of detailed work and effort has gone into those bids, but more than 10,000 have failed. Roughly speaking, there is a two-thirds chance that a bid will fail despite all the effort. That does not result in high-quality education for all, as the Prime Minister promised. It provides high-quality education for some.

Mr. Blunkett: I shall endeavour to answer the hon. Gentleman's other points in my winding-up speech, but I want to make it clear that the resources allocated today make it highly likely that work done on drawing up plans and putting together proposals and prioritisations will be successful. Those who have plans to replace rooms and boilers, to make window frames tight and to ensure that there is an environment in which to teach will receive the resources to fulfil the plans. Without prioritisation, it would be impossible for a school, a local authority or the church authorities to be able to order work sensibly.

Mr. Foster: I am grateful to the Secretary of State for that. However, a large number of bids are still outstanding. The Secretary of State has announced additional money for repair and maintenance of school buildings, but the success rate of bids to date in that area has been just 25 per cent., with 75 per cent. of bids failing. There are also huge variations across the country. In Oxfordshire, only 10 per cent. of bids have been successful. The London borough of Ealing is even worse, with only 8 per cent. of bids succeeding. I hope that the bidding process can be re-examined.

Finally, the new deal is another area in which the Government need to do much more detailed work. The Government appear not even to have done their homework on making arrangements to collect the information necessary if we are to judge the new deal. Other hon. Members have already said that we do not know whether the new deal is improving employability, a factor that is clearly crucial. In recent weeks, I have asked the Government for information about the new deal, but they were unable to tell me how many subsidised vacancies there were, the size of the companies taking on new deal trainees, the courses that people were taking on the full-time education and training option, or the providers of those courses. Nor could they tell me anything about the progress of ex-offenders, other than the number who joined the scheme early.

Perhaps my biggest concern is that the new deal seems not to provide information even on where people are going. The latest figures show that the destination of 9,500 individuals on the new deal is totally unknown. The Government are failing even to collect data, never mind getting all the detail right. The fact that we have no education legislation this year gives the Government a real opportunity to get the details right. I hope that they will take the opportunity to move education and employment forward in a way that the country desperately needs. If the Government are prepared to do that, the Liberal Democrats are more than willing to offer them support.

8.25 pm

Mr. David Crausby (Bolton, North-East): Before I came to the House last year, I spent 30 years in the engineering industry. I started work at 16 as an apprentice, and I joined hundreds of workers in walking to work in the early hours each morning. That was a real world. The hon. Member for Arundel and South Downs (Mr. Flight) is no longer in his place, but he talked about the real world. Well, that was a real world, and I valued it.

Unfortunately, that world was devastated in the early 1980s by the monetarists in the Conservative party. It has become a disappearing world. If I walked to work early these days, treading the same streets I trod then, all I would see would be the milkman, and even he is becoming increasingly rare. The industrial world that I knew and loved has declined massively, and Britain is a much poorer place for it. The decline has been not just economic, but social and cultural. Generations of industrial and engineering workers and employers provided not only manufactured goods, but employment and wealth for whole communities.

For 28 of my years in industry, I was an elected trade union representative. I witnessed a decline in industrial relations, just as I watched our industrial base disappear down the plughole. It does not really matter what came first, or who was to blame for the decline of management-employee relationships. As in all wars, there were no winners, just casualties. Anyone who has a real understanding of, or a genuine concern for, good industrial relations should understand that collective interests involve everyone. That must include the interests of both employers and employees. Responsible trade unionists with any experience soon recognise that the best wages and conditions in the world are pretty pointless if the company went out of business last week. Good shop stewards are well trained shop stewards.

Too often, the problem is that employers do not discuss their problems with their employees. When they do, they often exaggerate, or they do not reveal the full picture. Good employer-employee relationships, like good marriages, should be based on mutual trust and honesty. That is why partnership is so important if we are to succeed as any sort of industrial nation.

The "Fairness at Work" White Paper is a good and encouraging example of how trade unions and business can work together to deliver a document that represents almost all points of view. It has clearly walked a difficult tightrope, and we are bound to hear criticism of it from all sides. If that were not the case, it would probably have failed to strike an honourable balance. The proposals in the White Paper should remain undiluted, as they are balanced proposals that should succeed.

We will still have the most lightly regulated labour market of any leading industrial economy, but what is wrong with that if we get our regulation right?

As for the working time directive—an over-hyped problem—during all the 28 years that I represented employees in industry, not one individual complained to me about the amount of overtime that he or she was being forced to do by an employer. Employees often argued about how much overtime their employers were delivering. The truth is that most employees want to work, and they want to work lots of hours. If employers cannot organise that sensibly with their employees, they are bound to fail in business.

[Mr. David Crausby]

What is important is that the proposals offer the biggest advance in employee rights for a generation, which is not surprising, because the previous Government took us so far in the other direction and built up so much animosity among workers that we almost tore our industrial economy apart in the end. As a result of that legislation, we ended up where we are today. It was not a Labour Government who decimated industry, but a Conservative Government, who so regulated the trade unions that they drove us to a complete lack of co-operation.

Much fuss has been made about the recognition proposals contained in the White Paper "Fairness at Work". Some old-fashioned and misguided employers have attempted to weaken the proposals to the point where they become almost sterile. Progressive employers do not need legislation, and that is a fact. They see the absolute value of recognition.

Therefore, we must resist the industrial dinosaurs, because all that is proposed is recognition, which in any civilised society is just good manners. If we do not recognise each other's existence, how can we communicate at all? Recognition alone does not deliver anything, that is the truth of the matter. Only through sensible negotiations and good relationships can we make real progress. To do so, we must recognise each other. To develop any relationship in any walk of life, we must at least recognise each other. If we cannot do so, we are surely doomed as a modern, progressive economy.

Much in the White Paper disappoints me. I do not intend to go into the list, as it has been dealt with, but I am thinking particularly of the one-year qualifying period for unfair dismissal protection. If a dismissal is unfair, why should it matter when it happens?

In my early trade union days, the majority of those in the trade union movement did not want unfair dismissal tribunals. They preferred to deal with such dismissals through industrial action. They argued that the courts should be kept out of the trade union scene. That seems a pretty old-fashioned view now. At every opportunity, we should be seeking ways to deliver rights to individual workers, rather than cause disruption. I cannot understand those people who oppose not only the trade union movement but the rights of individuals to take a dismissal to a tribunal. That seems contradictory.

On the other hand, the White Paper suggests some progressive changes—particularly the requirement to hand over to employers the names of those who will be taking part in a strike ballot, and allowing dismissed strikers to claim for unfair dismissal. In this modern world, anything less smacks of intimidation.

Of course, there has to be much more negotiation, and a great deal more has to be said by each side. That is the nature of the trade unions and those negotiating on the employer's side. However, it must not become a question of victory for either side, as the right hon. Member for Wokingham (Mr. Redwood) suggested. It is not a question of victory, or of whose side the Government are on. They are on the side of the interests of the British people. We should not make the mistake that the previous Government made, because they took us into more conflict and dissatisfaction. That is why I urge the Government to stay with the White Paper as it stands.

8.35 pm

Mr. John Hayes (South Holland and The Deepings): I have waited to make my contribution to this debate mindful of the diminishing number of my colleagues. I do not know whether they have been deterred from attending by my impending oratory, or perhaps by the demagoguery of the hon. Member for Falmouth and Camborne (Ms Atherton) or even the contribution of the hon. Member for Bath (Mr. Foster). Notwithstanding that fact, I intend to concentrate on two aspects of the Gracious Speech—disabilities and education—partly because they are two subjects that I know something about. I learned before coming to this place that it is best in life—and certainly in Westminster—not to speak about matters of which one knows little.

Would that the Secretary of State for Trade and Industry had learned that lesson. Those of us who have made our living in information technology and who have worked in the field for some years were astounded by some of his pontificating on that subject—for example, speaking of electronic commerce as something of a revolution around the corner, when many companies, including mine, have been engaged in it for some considerable time—even some time before I came to the House.

The notion that business is not already being done by means of the internet and other forms of technology is at best naive. The idea of a digital envoy, speeding his way around the country spreading good news, and presumably good will, everywhere is little more than a gimmick. Good practice in information systems and high technology exists in all parts of the country. We do not need some envoy to tell us exactly how to spread such good practice. So I urge the Secretary of State not simply to parrot words on matters of which he seems to have little comprehension.

On a more positive note, I turn to the comments of the hon. Member for Kingswood (Mr. Berry). The hon. Member for Bath anticipated my remarks to some extent, by paying tribute to the good work that the hon. Gentleman has done. I speak as the very junior new joint chairman of the all-party disablement group. The hon. Member for Kingswood speaks with altogether more authority as the well-respected and senior secretary.

I listened carefully to what the hon. Member had to say on disablement. He will welcome the acceptance, welcome and support that my right hon. Friend the Leader of the Opposition gave the disability rights commission. The hon. Gentleman was a little churlish about my right hon. Friend, who was a well-respected Minister for the disabled. I think that the hon. Gentleman would agree that my right hon. Friend was genuine in welcoming the commission yesterday.

My right hon. Friend said that we need to examine the detail of the proposal, and I shall make two observations—not objections—about that detail. First, we must not ignore the most neglected disabled people. It is easy to think of the disabled as a generic group—easy, but misleading. The needs of people with different disabilities vary widely, and the chronically sick disabled are often the forgotten element within that group.

That point has been made by Sense in respect of deaf-blind people, and it is also true of multiple sclerosis sufferers, who are often not heard because they are chronically sick. Some disabled people—perhaps those

with spinal injuries who have made good recoveries from accidents—are able to live good lives and to speak loudly, forcefully and persuasively in defence of disabled interests. They are usually the people we encounter representing the disabled. That is understandable, and I make no criticism of them, but the chronically sick disabled can easily be forgotten. We must ensure in the work of the commission that that is not the case in future.

My second observation is that disabled people do not live by rights alone. I should declare an interest, as I have a disability. It is important that we do not tie the treatment of the disabled—especially the financial support for disabled people—wholly and solely to work. Careless statements from Ministers have caused considerable disquiet, some offence and a great deal of trepidation among disabled people, because there has been a suggestion that people can be full members of society only if they work.

We must give every disabled person the opportunity to work, and we must pave their way to fulfilling that opportunity, but we must never forget that a significant number of disabled people—because of the nature of their disability, their age or other circumstances—do not work and never will. They must never be treated as second class, even within the family of disabled people. Having used the word "family" after saying that disabled people are not a generic group, I have perhaps contradicted myself a little, but I am sure that the House will forgive me for that.

Those are my two observations on that subject, and I very much want to associate myself with the remarks of the hon. Member for Kingswood.

The most prominent feature of the Gracious Speech is not what is in it, but what is left out. That is especially true of education. The hon. Member for Bath said that that is good news—later, I shall deal with initiative fatigue, which is felt by most schools and teachers throughout the country—but it is not entirely good news, because it is indicative of lack of vision.

There is little evidence in the Gracious Speech of any holistic view of social progress or of economic success, and there is certainly no clearly defined view of the national interest, or even of man in society. I can almost hear my hon. Friend the Member for Havant (Mr. Willetts) saying, "Well, what do you expect? If there is no such thing philosophically as a single view or a big idea, why expect it to be in the Speech?" In my view, however, public policy, at this stage in a Government's progress, should have some sense of purpose, unity and symmetry about it. I see none of that in the Gracious Speech.

The Prime Minister is fond of calling that joined-up government, but the only thing that was joined up in the words that we have heard from Ministers tonight was the suggestion that all these policies are linked by the common word "modernisation". The Secretary of State for Trade and Industry might have used the word "modernity". I have to tell him that the worship of modernity is not only divisive in itself, but not implicitly symptomatic of a coherent view of the present, let alone the future. It is not enough to say that, just because something is modern or new, it is therefore good, and that it hangs together with other measures in the national interest or for the common good.

That is true in a number of particular policy areas. In education, for example, there are many holes in the Gracious Speech. The absence of legislation relating to lifelong learning and early years has been mentioned, and yesterday my right hon. Friend the Leader of the Opposition talked about the gap in respect of the expansion of popular schools and the sharing of good practice. Those are legitimate criticisms of the Government's approach to education.

We have heard a little about the problems of the class size proposals, and how their implementation is leading to unanticipated difficulties for the Government. Perhaps it was for that reason that they were reluctant to introduce still more changes.

Surely, though, there should have been in the Gracious Speech evidence of commitment to sharing good practice—from specialist schools and beacon schools, for example. These questions need to be asked: what responsibility do beacon schools have to export their excellence and innovation? Where are the targets, not only in terms of the school, but for the spreading—the fountaining down, to use a popular term, or, in more egalitarian vein, the fountaining out—of that good practice? I had hoped to see some mention of that.

Where are the plans to allow the benefits of investment in special schools to be felt across the whole sector? I have some experience in that area, and know that there is little evidence that investment is benefiting neighbouring or feeder schools. Although there are some isolated examples of good practice in this respect, there is little suggestion that schools are benefiting universally as a result of that significant private and public sector investment.

I should have thought that some improvement would also be made in respect of targets and measurement. The previous Government changed the education agenda by measuring output, not input. When I first became a member of a local education authority, most of the measurements were those of input, such as spending and pupil-teacher ratios. The current consensus is that we need to measure empirically what schools deliver. Given that the previous Government laid that foundation, one might have expected this Government to take up the baton and to refine and improve those means of measurement. One might have expected them to look more carefully at measuring value added.

If schools are to be financially rewarded, and teachers' salaries are to be based on clearly defined targets and proper measurement, we must be sure what we are measuring. We need to identify excellent schools and teachers who out-perform their catchment area and do exceptionally well despite the fact that they start with few inherent advantages. Equally, we must carefully scrutinise the schools in leafy suburbs that under-perform.

We can do that only through empirical measurement of value added. I commend to the House the work of Sheffield university and the work done in Scotland, some of which was started some seven years ago, so it is well established. There is a lot of evidence on how measurement of value added can be achieved. Some good local authorities, both Labour and Conservative, have already gone down that road, yet the Government seem reluctant to propose a consolidated national programme.

The Government also seem unable to make proposals in respect of the best use of technology. We heard a great deal about the digital envoy and the impact on industry of

[Mr. John Hayes]

information technology and high technology, but we heard little about the effective use of the internet in schools or higher and further education. The effectiveness of all that is extremely patchy.

The Government have spoken about training teachers in IT. The Minister twitches. Although positive steps have been taken, I assure him that the effective use of the internet and information technology in schools is extremely patchy. It needs to be pulled together urgently if a great deal of money is not to be wasted on inappropriate hardware and software.

The Minister for Trade (Mr. Brian Wilson): The hon. Gentleman draws attention to my twitching, so I might as well exercise it further. What he describes is an inheritance; it has not been created over the past 18 months. He need tell no one on the Government Benches that IT and computer provision in schools is highly patchy. Last year, I visited a school in my constituency which had one computer that was younger than the 16-year-olds using it. People voted for a Labour Government precisely because they wanted every school in the country to be equipped to the best standards.

Mr. Hayes: The Minister misunderstands the problem. It is a question not of acquisition but of effective use. It is not a question of the number of computers on desks, but of how they impact on teaching and learning, how effectively they are integrated into delivery of the curriculum, and what impact they have on the relationship between the teacher and the taught. Some schools with few computers use them effectively, while others have invested heavily in hardware without matching it with training, software and support. Computers lie idle and have no impact on teaching.

It is not as simple as saying that we must spread the jam around the whole country and hope for the best. I want the Government to take a lead in using that investment more effectively. All I am saying, hopefully in a reasoned and moderate way, is that, if we are to spend money on computers, we should ensure that they make a real difference to children. One had hoped for a little more from the Queen's Speech on that issue.

Some of the initiatives that have been announced and implemented in the past year—I referred to initiative fatigue—were well intentioned but half baked. I do not want to debate the past—I would not be allowed to, anyway—but schools in my constituency were already doing much of what was in the literacy hour initiative. Whether that should have been universally applied—as it has been—is debatable.

Many teachers understandably and legitimately resent the fact that their creativity, flair, imagination and ability to innovate is being restricted by an increasingly prescriptive Government, who define what they do, how they teach, how much time they should allocate for homework, and when they should stand at the blackboard and when they should not. We must allow our teachers the flexibility and scope to deliver an effective education using their flair and creativity.

The absence of a thoughtful and considered programme is a cause more of sorrow than of anger. There is a lack of strategy, vision and long-term planning. We are told that there will be consultation on teaching. We must be careful that that does not become another excuse and opportunity for knocking teachers. Although the Queen's Speech refers to raising teachers' status and profile, there is a real concern that they will not welcome further consultation that will do nothing for their status, and might diminish it still further.

If education is the bridge to self-improvement and personal fulfilment, it deserves priority. Much is said about the priority that the Government have given it, but there are huge holes in the legislative programme in the Queen's Speech in respect of education. Those holes cannot be filled by this Government, but may be filled by a future Conservative Government.

8.52 pm

Ms Margaret Moran (Luton, South): I make no apology for returning to the subject of trade and industry. Having sat here throughout the contributions of Conservative Members, I have heard great lamentations and gnashing of teeth. In their view, the Queen's Speech lacks legislation for industry, enterprise or jobs. It is noteworthy that they have not proposed any alternative policies. They have also signally failed to address one of the crucial issues in the Queen's Speech—electronic commerce, which will be fundamental to the future prospects of our industry.

The hon. Member for South Holland and The Deepings (Mr. Hayes) gave the impression that electronic commerce has already been achieved. His and his hon. Friends' references to it were extremely depressing because they showed that they do not understand its' importance to the future of our industry. The right hon. Member for Wokingham (Mr. Redwood) showed that his party's contribution to the debate on electronic commerce is confused and contradictory. He berated the Government over their intention to introduce voluntary licences for encryption, and revealed that his party's policy is for mandatory arrangements. That is utter nonsense.

Perhaps Conservative Members are embarrassed about the fact that, after all those years in government and despite the framework of telecommunications that they put in place, they never delivered the widespread access to innovation and advanced telecommunication services that they promised.

What the Opposition failed to discuss tonight is an important element of the Queen's Speech, which has been welcomed by the Confederation of British Industry. The secure electronic commerce Bill will perform the crucial function of updating to encourage worldwide trading, and will improve competitiveness by enabling the United Kingdom to compete in the digital marketplace.

The aim of the Bill is to overcome some of the key factors that have impeded confidence in electronic commerce. It will improve business confidence by establishing voluntary licensing arrangements for bodies offering electronic signature and confidentiality services to the public. The Bill will also introduce voluntary licensing arrangements for bodies offering electronic signatures to the public, to ensure that minimum standards of quality and service are met.

Signatures meeting those standards will, for the first time, have legal status. The Bill will also sweep away the restrictions that insist on the use of paper transactions, and will tackle concerns about law enforcement powers in the face of increasing criminal and terrorist use of encryption.

Lest the Opposition think that measures creating an environment in which electronic commerce can develop are not important to the country's competitiveness—as they have implied this evening—I shall remind them of the scale of internet and electronic business in Britain.

The United Kingdom has the fifth largest information technology industry, worth £45 billion, and it is estimated that, in commerce alone, it will be worth £500 billion within five years. Surely that is worthy of more scrutiny or debate than has been offered by Opposition Members today. The World Economic Forum certainly recognised its importance. Its survey found that 20 per cent. of firms believed that electronic commerce would fundamentally reshape the way in which they did business, and that a further 59 per cent. believed that it would lead to significant changes in their business.

Electronic commerce has been growing for many years. It links companies to suppliers and financial institutions, and business to Government. The United Kingdom has an exceptionally strong base from which to develop electronic commerce as it becomes a significant proportion of global gross domestic product.

As has been said in many debates, we are on the cusp of a quiet revolution, in which electronic commerce will play a significant role in a new commercial world; but harnessing the immense potential offered by electronic commerce to create wealth and jobs means that we must rapidly establish agreed ground rules giving buyers and sellers confidence and trust to use the new technology.

Although the prime economic drive for electronic commerce may currently lie with business-to-business transactions, it is clear that consumers—whether ordering books via the internet or using it for home shopping—must also benefit. They, like business, must be able to take advantage of the potential ease and reduced cost of transactions that the Bill will deliver. Consumers must have confidence in the new system. The need to address concerns about security of transactions, privacy and consumer redress will be crucial to the development of electronic commerce.

The Bill begins to tackle some of the issues by ensuring that messages can be signed electronically, so that a user can check who has signed a message and be confident that it has not been tampered with. Consumers will also have the assurance of confidentiality. For the first time, electronic signatures will have the force of law, and electronic transactions such as the pilot carried out in Luton recently by the National Westminster bank, offering intelligent forms for self-employed business people, will have legal standing.

The creation of such a framework is welcome. I am especially pleased that the Government have recognised that electronic commerce is a key element of competitiveness for small and medium enterprises. Notwithstanding comments by Opposition Members, the Government believe in such enterprises. That is why we have the lowest-ever rate of corporation tax, and why we have introduced incentives for small businesses to invest. It is no use Opposition Members shaking their heads. The Budget increased incentives for small and medium enterprises and has radically enhanced their productivity and prospects.

As I said in a recent Adjournment debate on competitiveness and small businesses, however, it is clear from my experience in my constituency that the importance and opportunities of electronic commerce to the sector's competitiveness must be more widely known. I am aware of the information society initiative for businesses and its emphasis on small businesses, but not many small businesses that I visited in Luton seemed to know of it. That is borne out by research conducted by the Bedfordshire chamber of commerce, which found that Luton and Bedfordshire small businesses use IT equipment but feel that they are not making optimum use of it. It was depressing to be told on a recent visit to a company of 80 employees that its only technology was an ancient computer for the payroll, and that the director was proud of knowing nothing about new technology.

We must make greater effort to get the message across to small and medium enterprises that the future is in electronic commerce. For small businesses, electronic commerce can overcome numerous barriers to competitiveness. Location and size can become irrelevant; all companies have the same global reach. Electronic commerce can also help suppliers to identify consumer needs more exactly. It will speed processes, giving a greater competitive edge, and cut out the middle man, thereby reducing the costs of small businesses and their clients.

Our small businesses have much to learn from their counterparts in Canada, which I visited recently. There, electronic commerce is well developed and integrated into every aspect of business life, from the large to the micro, from systems to design to new production methods. We can learn from the Industry Canada strategy, which recognises that electronic commerce is but one vital element for creating a knowledge-based economy.

Our strategy must therefore be to build trust in the digital economy, building business and consumer confidence. We must, as we will do in the Bill, clarify marketplace rules, remove barriers to the use of e-commerce and update our legal rules. We must strengthen our information infrastructure to support the growth of e-commerce, and, crucially, realise opportunities for jobs and growth by developing skills and leadership in new technologies, which we know is desperately needed.

I recognise that many such issues can be tackled only on a global basis because electronic commerce introduces the borderless world. That is why I welcome the agreement reached recently by my hon. Friend the Minister for Small Firms, Trade and Industry on her visit to Ottawa and in discussions with the Organisation for Economic Co-operation and Development. The agreement was particularly welcomed because it broke new ground and opened up opportunities to ensure that the benefits of electronic commerce are reaped by all—be they business, employees or consumers.

The Bill is not just to be welcomed; it lays the foundations for UK primacy in electronic commerce. Crucially, the Bill signals our determination to harness the power of electronic commerce in order to create economic growth and jobs. For UK industry to be competitive, we must ensure that we create the best environment in which to trade electronically. That is just what we are doing. We must also ensure that we are building on an economy that is based on knowledge, creativity and skills. That is why many of the elements in the Queen's Speech refer to creating a knowledge-based society and economy. In order to ensure that we take maximum advantage of

[Ms Margaret Moran]

the new opportunities that are offered by the information age, we need those joined-up policies and skills to develop our prominence in the world of e-commerce.

I very much welcome today's statement by my right hon. Friend the Secretary of State for Trade and Industry, which will create a digital envoy to be the champion of the new information age. My right hon. Friend's action will ensure that the United Kingdom plays a leading role in the new world of electronic commerce and that the Government's commitment to modernising our trade and industry is fulfilled. Such action stands in sharp contrast to some of the prehistoric views on trade and industry matters held by Conservative Members.

9.5 pm

Mr. David Willetts (Havant): I welcome the Secretary of State for Education and Employment to the debate, and am grateful to him for changing his mind and attending it. I appreciate that he has done so at some personal inconvenience. Opposition Members will be very happy to hear his speech, not least because he has no education legislation in the Queen's Speech. Sadly, without substantial education legislation, we may not see quite so much of him in the House or have quite so many opportunities to debate with him.

Tomorrow, we are all, of course, speaking at Harrogate, at the conference of the Association of Colleges. I do not know how the Secretary of State will—

Mr. Blunkett: Need a lift?

Mr. Willetts: That is very kind, but I have already been offered a lift by the hon. Member for Bath (Mr. Foster). If the Secretary of State wants to join us, he will be very welcome. However, we are setting off at the end of the debate, as we are speaking rather earlier than he is.

As I said, I am grateful to the Secretary of State for speaking in our debate, which takes place against the background of a very sober economic climate—although one would not think so after hearing the speech, at the beginning of this debate, by the Secretary of State for Trade and Industry, or yesterday's speech by the Prime Minister. The Prime Minister seemed to be keener on waging class war against hereditary peers than he was on dealing with the economic difficulties facing the United Kingdom.

For six years, unemployment has been on a downward trend. Sadly, the trend seems to be coming to an end. We have just had the unprecedented experience of both unemployment measures—the survey measure and the claimant count measure—beginning to rise. But the Government do not seem to realise that we face a looming problem of rising unemployment. Ministers seem to deny that there is any problem. Instead, we hear what my right hon. Friend the shadow Chancellor describes as "fantasy forecasts".

Today, in a very fine speech, the former Prime Minister, my right hon. Friend the Member for Huntingdon (Mr. Major) very clearly made the point that the Treasury's growth forecasts are incredible. No serious outside forecaster believes the Treasury's predictions for economic growth. Months after the international financial crisis began, we have a Treasury economic forecast that, by 2001–02, the British economy will be bigger and better than the Treasury predicted it would be before the international crisis.

No other advanced western country lives in the fantasy world of expecting that its growth rate will be even better than before the crisis. The Treasury seems to be doing so by accepting that there will be some slowdown in the next 18 months, and simply adding back into the second 18 months any output lost in the past 18 months. It is not responsible and reputable forecasting, it is no basis on which the Government should take decisions on management of the economy, and it is no basis on which a responsible Government should be deciding their fiscal policies.

The reasonable, responsible and realistic assessment came only a few days ago, in a report from the Organisation for Economic Co-operation and Development. The report stated that, on its definition, unemployment will increase from 6.5 per cent. to 8 per cent., which means that, in the next two years, unemployment will increase by 500,000 people. That is a serious challenge for the British economy, and something that Ministers should be taking seriously—but they are not.

Today, all we have heard in speeches and interventions by Labour Members was a type of night out for old Labour—celebrating fairness at work proposals and increased power for trade unions, but saying absolutely nothing about what they think should be done to deal with the looming jobs crisis. We know what Ministers claim is the solution—the new deal, but that is a monumental irrelevance. It targets a very large amount of money on a very small proportion of unemployed people. The Government are biased entirely in favour of the young unemployed, and are doing nothing to help the long-term unemployed. There are twice as many long-term unemployed, yet they receive one fifth of the new deal budget that goes to the young unemployed, so they receive one tenth of the spend.

Meanwhile, what do we know from the evaluations that are already coming through? The hon. Member for Bath referred to them briefly, but the evidence is pretty clear. Thirty per cent. of people who leave the new deal simply disappear; the Government have no knowledge what happens to them. Another 10 per cent. move on to another benefit, so 40 per cent. for a start do not seem to be gaining anything from the new deal.

I asked the Library to calculate what had happened to young people who had been unemployed for six months in April 1997, and young people who had been unemployed for six months in April 1998. Three months later, what did we find? A higher percentage were still unemployed in July 1998 than in July 1997. That is a warning that the new deal will not deal with the jobs crisis.

I hope that the Secretary of State, when he speaks about the new deal, as I hope he will, will agree that there is a simple and stark measure of success—one that might interest the Chancellor of the Exchequer, who has, after all, claimed that the new deal will save money overall. Let us have figures for the total number of subsidised jobs that new dealers enter, the total number

of unsubsidised jobs that new dealers enter and the total spending on the new deal. What we will find is that, with the new deal, the cost per job—

The Minister for Employment, Welfare to Work and Equal Opportunities (Mr. Andrew Smith): We have the figures.

Mr. Willetts: I am pleased that the Minister has the figures. We also have the figures at the Centre for Policy Studies. Tomorrow morning, my hon. Friend the Member for Ashford (Mr. Green) will publish something that has done the calculation. It shows that the new deal is infinitely more expensive than any other training scheme that has been introduced. Sadly, the returns for the young people that it is supposed help are very modest.

It is not just young people who are losing; employers are increasingly frustrated, as we saw in the letter to Sir Peter Davis, chairman of the new deal task force, from the director general of the British Chambers of Commerce, Chris Humphries. He said that its members'

"concerns now arise because very few, or in some cases, no young people have been referred to them. Many companies report that they have also had little or no contact from the Employment Service, and so a severe lack of information is magnifying their confusion and leading to significant disillusionment."

That is the experience that employers have of the new deal and it is dispiriting.

What the Government should do is announce that they will suspend the implementation of the job-destroying regulations which will hit British businesses in the next 18 months. That would be a serious and considered response to the threat of rising unemployment, because those measures are extremely expensive.

The double tragedy is that the cost of the working time directive, the working families tax credit and the Government's other regulations is not translated into a benefit that flows through to people who earn low pay. The cost is largely accounted for by the administrative costs that employers have to take on board to comply with the record-keeping requirements of all the different regulations. That money does not help anyone.

Therefore, I hope that the Secretary of State will comment on the performance of the new deal, and perhaps explain to the vast majority of unemployed people who are not eligible for the new deal why, at the same time, his Department is closing job clubs and stripping training and enterprise councils of funds that they intended to use for projects to help, for example, with the retraining of people who have lost their jobs.

Ms Atherton: May I issue an invitation to the hon. Gentleman to visit Employment Service offices in my constituency, in Penryn in Cornwall? There, he can see for himself the innovative and far-reaching implications of the new deal. Let him meet the young people who have got a job for the first time. Let him talk to the people and the companies who have told me that the new deal is the best thing that they have had from any Government in many years. Let him come to Curnow Shipping, which has taken on young people, trained them and given them permanent jobs within the company. I challenge him to come.

Mr. Willetts: I am happy to visit all parts of the country to debate the new deal, but let me tell the hon. Lady what is happening in the real world. Let me tell her about Hackney, where 1,877 young unemployed people have joined the new deal, and 12 have a job; or about Stockport, where 406 young unemployed people have joined the new deal, and nine have a job; or about West Lothian, where 277 young unemployed people have joined the new deal, and 10 have a job. That is the reality of the new deal throughout the country.

From the unemployment crisis now facing this country, let me turn to the other aspect of the Secretary of State's responsibilities—the education system and our schools. When I visit schools around the country, the message from teachers and head teachers is the same. Only the other week, that message was vividly expressed to me by one head, who said, "The only way that I can possibly hope to meet the Secretary of State's agenda on standards is by ignoring most of the letters that I am sent by him and his Department. If I actually tried to comply with all the regulations, instructions and directives that I am sent by the Department for Education and Employment, it would be absolutely impossible to focus on raising standards in literacy and numeracy."

It is literacy and numeracy that the Secretary of State says he really cares about, and I believe him; but he is in the absurd position of distracting teachers with his flow of initiatives from the very things that he cares most about. That is the abiding complaint one hears from teachers and head teachers around the country.

I hope that the Secretary of State will consider stemming the flow of instructions, regulations and directives that he sends out from his Department. Only the other day, on television, I debated the subject with the Under-Secretary of State for Education and Employment, the hon. Member for Norwich, South (Mr. Clarke), whom I see in his place. He admitted that, in his view, the Department had been sending out too many pieces of paper to schools and local education authorities. I welcome that admission. Now that the Government have recognised that they have made a serious mistake, we look to them to do something about it. I hope that the Secretary of State will make an announcement in that respect this evening.

The problem is not only paperwork. The hon. Member for Bath made a pertinent point in this respect, and we all saw the disturbing evidence in *The Times Educational Supplement* the other week. The problem is also the fragmentation of budgetary responsibility. If, instead of handing over an aggregate grant to an LEA and a total budget to a school and trusting the head teachers' and teachers' professional judgment, what is distributed is a large number of penny packets, each associated with some specific initiative which gets the Secretary of State on the "Today" programme and 24 hours-worth of headlines, all that does is make it more difficult for a head teacher sensibly to plan his own priorities in his own school.

Mr. Blunkett: Perhaps the hon. Gentleman will tell me whether the £48 million—£2,000 per school—for books is the sort of initiative of which he is thinking; or does he have in mind the new deal for schools, which now amounts, in grant and not in credit approval, to £1.5 billion?

Mr. Jamieson: Tell us about that.

Mr. Willetts: The hon. Gentleman says "Tell us about that," but we have been hearing about it since July last

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year and it had another outing today. We are all familiar with it, because we have been hearing about it for 15 months.

Mr. Blunkett: It is important that the shadow Secretary of State for Education and Employment should be able to refer to a calendar or to events that have taken place, rather than to ones that he has made up. When, either in July last year or over the past 18 months, have we heard about £1.5 billion for the new deal, given that £500 million of that was announced only this morning?

Mr. Willetts: I am referring to the statement in the House on 2 July 1997 in which the Chancellor of the Exchequer gave the figures for new deal expenditure on school capital. I am speaking from memory, but I recall that it was a £1.2 billion programme that sounded suspiciously like the capital under the new deal that the Secretary of State announced again today.

I am happy to tackle the Secretary of State's direct question. Yes, if a head decides that perhaps the priority for his school is not to spend money on the loos, but to employ a maths teacher, who are we to stand in his way? Individual heads are best placed to decide the priorities of their schools. Instead of having a clear total budget that they can spend in the way they think best, head teachers are increasingly having to submit bid after bid for individual and often relatively small sums of money, each associated with some new initiative launched by the Secretary of State. Every time the right hon. Gentleman gets his 48 hours of headlines, he undermines the professional judgment and authority of individual head teachers. I should warn him that they are increasingly frustrated and irritated by that process.

Head teachers are also irritated by the sheer distraction. Despite claims that the Government are interested in standards, not frameworks, many schools have to put so much effort into changing their status and their legal position in order to meet the requirements of the Secretary of State. Tragically, grant-maintained schools are losing some of the freedoms that we gave them and, most recently, grammar schools are being distracted by the Secretary of State's campaign against them.

We agree with the statement:

"The 160 grammar schools that there are, let them remain."

Those are the words of the Prime Minister in an interview with ITV on 3 April 1997. We ask only that the Secretary of State endorses what his right hon. Friend has said. However, it is clear that, every time the Prime Minister makes such statements, the Secretary of State takes the opportunity of the detailed regulations on grammar school ballots, which nobody at No. 10 will be able to scrutinise, to smuggle in as much bias as he can to make life difficult for grammar schools.

Mr. Bercow: As my right hon. Friend knows, grammar schools are of the highest importance. The Royal Latin grammar school is testimony to their success *[Interruption.]* Despite the sedentary chuntering and laughter on the Government Back Benches, does my right hon. Friend agree that it is extremely disturbing that schedule 4 of the regulations that the Secretary of State has commended to the House enable him to declare the result of a ballot null and void if he considers that the content, tone or presentation of the arguments is not reasonable? Who is to determine what is reasonable in that context?

Mr. Willetts: There was an intriguing story about that in the *Financial Times*. It looked like another desperate attempt by No.10 to haul back the policy—some briefing with the message, "Don't worry, we'll try to use some of these powers to stop grammar schools disappearing after all." My hon. Friend—the Back Bencher to watch as we must now call him after the *Spectator* parliamentarian awards—is absolutely right.

We should look at the question that the Secretary of State will put into grammar school ballots. He is not going to ask a straightforward question such as, "Do you want to keep local grammar schools?", which goes straight to the nub of the issue. Instead, he wants to ask, "Are you in favour of a the introduction of a non-selective system of education in local schools?" We learn from an interesting experiment carried out by the *Sunday Express* last weekend that, if we ask the question in Government gobbledegook, we get a very different answer from the one to a straightforward question that makes it clear that people are voting on whether or not their grammar schools will survive.

The real criticism of the Secretary of State throughout the world of education is that he believes that education should be run by him sitting in the Department sending out instructions to all the LEAs, which in turn send them out to more than 4,000 schools. They then all write the plans for which he is asking—at the last count there were 17—and submit them to the LEAs, which debate them with the schools, revise them and submit them to him. He sits like some old-fashioned industrialist running the nation's schools from Whitehall. No organisation believes that that is the way in which it can enter the 21st century—it is an attack on teachers' professional judgments and standards, and the Secretary of State will anyway find his task impossible.

We should be relieved that there is no education legislation this year. I am sure that, if the right hon. Gentleman had secured any legislation, it would have been regressive, interventionist, heavy-handed and nannying. We hope that he will reflect on the contradiction between his apparent commitment to raising standards and his behaviour in office.

9.26 pm

The Secretary of State for Education and Employment (Mr. David Blunkett): Dear me. It has been a long day for us all, and I do not intend to prolong it into the early hours of the morning. It behoves me first to congratulate a number of my hon. Friends on their contributions to today's debate.

My hon. Friend the Member for Kingswood (Mr. Berry) has campaigned for people's rights for as many years as I can remember. The appearance in the Queen's Speech of the proposals for the disability rights commission is a tribute to him and to all the people he listed who have made contributions over the years. Much still needs to be done; this is another brick in the wall rather than the construction of the building. However, we are well under way, which we would not be if the Leader of the Opposition had had his way—as has been pointed out, on 23 February 1995, he opposed the establishment of a disability rights commission.

I thank my right hon. Friend the Member for Camberwell and Peckham (Ms Harman) and my hon. Friends the Members for Gravesham (Mr. Pond) and for Falmouth and Camborne (Ms Atherton) for what they have said on the important subject of improving rights at work. They showed how positive policies by employers can transform not only individuals' life chances but their contributions to this country's economic well-being. I pay particular tribute to my right hon. Friend for her considerable work on the matter over the years.

I believe that the tribute to campaigners lies in the new sure start programme, in the proposals on child care, in the doubling of nursery places for three-year-olds and in the fairness at work Bill, which together make it possible to provide for children and their parents in a positive, radical and modern way. The House has a great deal to be proud of in what has already been achieved in the past 18 months.

I also thank my other hon. Friends for their contributions, including my hon. Friends the Members for Luton, South (Ms Moran), for Brentford and Isleworth (Ann Keen), for Bolton, South–East (Dr. Iddon) and for Bolton, North–East (Mr. Crausby).

The debate has been of varying parts. The shadow Secretary of State for Trade and Industry was not sure whether he was in favour of what the Conservatives had previously stood for, and he was totally unsure whether he was in favour of what they currently stand for. He rigorously denounced what he was against in past Conservative party policy but he could not say what he was in favour of in current Conservative party policy—no wonder, as the Conservatives do not have any policies and are ashamed of the bits that they think they have. There is a sort of trial by denial in the Conservative party, which is very difficult for Labour Members not to view with equanimity.

The previous Prime Minister, the right hon. Member for Huntingdon (Mr. Major) has decently sent his apologies for not attending the wind-up. I do not know how many other Conservatives have sent their apologies but, given the nature of the debate, one would have thought that more than seven or eight would have turned up.

Mr. John Healey (Wentworth): There are seven.

Mr. Blunkett: There are seven—numeracy is alive and well. Seven have turned up, including, I think, four on the Back Benches. A number of them are clearly here in spirit, if not in person.

The speech by the right hon. Member for Huntingdon made the Leader of the Opposition's speech look immature and feeble. The previous Prime Minister made it clear that the right hon. Member for Wokingham (Mr. Redwood) was going to spend most of his political life denying that he had anything to do with past policy. When the previous Prime Minister referred to mistakes, I thought that he was referring entirely to the placement of the right hon. Member for Wokingham in his Cabinet.

Enough of levity mixed with sadness. This evening, we should take head-on some of the silliness that has emerged from Conservative Members. It is difficult to treat seriously anything that the hon. Member for Billericay (Mrs. Gorman) says in this House, although she sends me entertaining notes from time to time—normally written on the back of letters I have sent her. Her passing references to the new deal—and everything else—as a sign that we do not want to make families happy seemed to me to be very sad. We in new Labour are totally in favour of happiness, and we will engage in it as often as we can.

Mr. Willetts: Set a target.

Mr. Blunkett: I thought of that, but I decided that it would be unwise to threaten to resign if we did not reach it. We have every intention not only of making people happy, but of making them productive, capable of taking a job and employable, and of ensuring that, in doing so, they can hold their families together.

There was a time when the Conservative party was in favour of the family—when the party believed in supporting and reinforcing families, and in helping them stay together. Apparently, that is not the case any more if that involves family-friendly working practices, or us—that is, the community—helping each other in measures such as the sure start programme. Such measures are always condemned by Conservative Members as bureaucratic or interventionist, or for spending money that they would cut. We all know that, if they had the chance, the Conservatives would cut the £40 billion on education and health. They would cut out the new deal, which the shadow Secretary of State for Education and Employment described tonight as monumentally irrelevant.

The new deal is not monumentally irrelevant to the 160,000 young men and women who have entered it, nor to the 38,000 who have been placed in a job—70 per cent. of them in an unsubsidised job. That is the answer to the spurious nonsense that the new deal has nothing to do with employability or preparing young people for the world of work. It is certain that giving young people the opportunity to gain a qualification is a sight more preparation for employability than the 29 makeweight schemes that the previous Government invented during their 18 years in office.

One only needs to talk to young people such as David Habachi, who said that, when the new deal was working, he was working. That is true. It is true for those who already have a job, for those who are on the full-time education option and for those on the environmental and voluntary service option. It is giving young people real hope for the first time in generations. To denigrate it is not only cynical—it is a disgrace.

I welcome that small group of Conservative Members of Parliament who have joined us in trying to make the scheme a success, and who have contacted their local Employment Service and engaged with their jobcentres—as many of my right hon. and hon. Friends have done. The easiest thing in the world—as the right hon. Member for Wokingham displayed this afternoon—is to declare that one is against everything. That is what the Opposition are doing. They are not saying that there may be problems and they want to help to sort them out. They are not making contact with employers and then putting them in contact with us.

Every employer who has contacted my right hon. Friend the Minister for Employment, Welfare to Work and Equal Opportunities or me has automatically been put in touch with the Employment Service, and we have sorted out their problems. W. H. Smith told me two weeks ago about the vacancies that it had. We immediately

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connected the vacancies with the jobcentres. We are doing a first-rate job to ensure that many young people will have a job between now and Christmas, in order to have an income for Christmas.

The answer to the silly survey by the Centre for Policy Studies is that it can pretend that the programme costs £11,000 a job only if it adds up all the sums that go in without adding all the earnings, the reduction in benefit, and the tax and national insurance that will be paid by those who get a job. Being prepared for getting a job and having a qualification to enable one to hold a job down is the whole point of the new deal.

Mr. Willetts: Does the Secretary of State endorse the Chancellor's original proposition that the new deal will end up being self-financing?

Mr. Blunkett: When young people have been in a job for a number of years and secured earnings, they will have refinanced the investment. That is the basis of investing in state education and of the whole existence of the Employment Service and the jobcentres throughout the country.

Job clubs are supplied where unemployment requires such action, and as unemployment has dropped and employment has increased by 400,000 since the general election, we have been able, not to cut the Employment Service, but to reinvest: through the new deal, we have allocated £3.5 billion more to putting people into work and preparing them for jobs, which is what our policies are all about.

Conservative Members have attacked the new deal and shown a cynical disregard for what it means for young people to have a job. This evening, we have heard sneering of the kind that the Leader of the Opposition indulged in yesterday. The shadow Secretary of State for Trade and Industry even expressed the belief—I think that I am quoting him correctly—that Members of the House of Lords are the voice of manufacturing industry. Well, there we have it.

I shall think about that staggering revelation on my way to Harrogate. I would have taken up the kind offer to travel with the shadow Secretary of State for Education and Employment and the hon. Member for Bath (Mr. Foster), but they will be travelling on the right side of the road and I want to travel on the left.

Mr. Don Foster: Unfair.

Mr. Blunkett: After that appeal from the hon. Gentleman, I withdraw the allegation against him, in the spirit of unity and—

Mr. Foster: Co-operation.

Mr. Blunkett: Of course. I was struggling to find the word.

Like the hon. Member for Bath, I am totally committed to lifelong learning, and to act on that we need, not legislation, but positive proposals and investment. We are working to develop that. We hope to unite the funding agencies and the providers, so that the training and enterprise councils, the Higher Education Funding Council and all those working in and providing resources for adult learning are co-operating to enable people to renew their education.

Mr. Foster: I am grateful to the Secretary of State for withdrawing his scurrilous accusation about where I would drive on the road. Does he agree that people are not working in partnership and that there is real competition in delivering important aspects of lifelong learning? For example, the TECs are competing with the further education colleges. We desperately need some form of clear strategic planning framework for lifelong learning. That cannot be given centrally. Perhaps the right hon. Gentleman would be prepared to consider a regional planning framework.

Mr. Blunkett: I accept that undue competition has been destructive to delivering education and getting people to work together. We will take steps to ensure that that is overcome and we already have, through the Further Education Funding Council, regional facilities that need to be adapted and expanded. We need to work with the regional development agencies to pull together lifelong learning and skills provision to meet the challenges.

The Government's record in the past 18 months bears scrutiny. We now have the highest number of people in employment since records began. We have the lowest level of unemployment for 18 years. We have reduced by more than a quarter the number of young people out of work, and we have ensured that we have, for the first time in many years, a strategy for the development of skills under the task force chaired by Chris Humphries.

We have a programme with the national training organisations—there are now more than 60—to get industry, commerce and services to work with trade unions, even though they might not have spoken to each other for years, with the training and enterprise councils and with the Government in a partnership approach.

I know that "partnership" is a dirty word to the Conservatives, but partnership is the only way in which we will be able to progress to the future. The fairness at work legislation will be crucial to ensuring that people can use their energy and time to work in unison, to pick up a phrase from my hon. Friend the Member for Falmouth and Camborne, and to getting people to treat each other with decency.

The enormous challenge of welfare to work has been lost in today's debate. Our proposals for welfare to work in this Session will develop the idea of the single gateway to work and the support that can be given by the new deal advisers, whose role has been imaginatively developed. I pay tribute to my right hon. Friend the Minister for Employment, Welfare to Work and Equal Opportunities, who has worked assiduously on this subject and who will have made a signal contribution to ensuring that single parents, men and women with a disability and those who have been long-term unemployed get support when they need it. My right hon. Friend will have helped to ensure that we have rigour as well as care and support, so that people know that they will get something for something, not something for nothing. We will do that in a positive way that renews hope.

My right hon. Friend the Member for Camberwell and Peckham talked earlier of the example that needed to be set by mothers to show their young children that the world

of work existed. That is true of all parents. We need to ensure that no more children, when asked what they want to do when they grow up, give an answer about their benefit cheque. My hon. Friend the Member for Bristol, East (Ms Corston) can confirm that that has happened.

We must ensure that children understand that the world of work is open to them. That is why we are against education systems that deny people that opportunity. We are not beleaguering the education profession with initiatives that they do not want, but we are investing large sums of money for which the profession has cried out for years.

We have announced today proposals to spend £5.4 billion, £2.5 billion of which is new money. Unfortunately, it is not new to the BBC, which has decided that any spending that was announced in July as £19 billion of additional resources over the next three years is no longer newsworthy because it is not new. That is an interesting response. If it had been applied to public expenditure survey proposals in the past, nobody would ever make new spending announcements because the details were all in the three-year public expenditure survey proposals. What a load of silly nonsense that is, as anyone with an ounce of sense knows.

Those who really will know the difference when it comes to whether it is old money or new will be the thousands of schools that have had money invested in them. Six thousand schools already are in that position. I went to Parliament Hill girls school this morning, which has a new roof, a new science and domestic science block and the ability to do the job better.

When we announce our proposals for reshaping the teaching profession, they will not be confined to rewarding the high performance of good teachers, important though that is. Our proposals will be about transforming the education service for the 21st century. That will mean an environment fit to teach in, support through teaching assistance and the sort of training that the Tories never gave to teachers. There was no initial teacher training curriculum until we came into government. There was no comprehensive programme for in-service training. There will be, and indeed, there is already under the Labour Government. We shall do the job properly.

If it is thought that a literacy hour that places emphasis on phonics, grammar and spelling is an interference, those who take that view do not believe in giving every child in every school the chance that he or she deserves. I tempt the shadow Secretary of State, the hon. Member for Havant (Mr. Willetts), to his feet again to tell me whether he believes in phonics, grammar and spelling as intrinsic elements of teaching primary school children to be able to read and write. I shall be happy to give way to the hon. Gentleman.

Mr. Willetts: Of course the evidence is that phonics is a very effective way of teaching children to read. We believe also in a statement that we used to hear from the Secretary of State—something called intervention in inverse proportion to success. Teachers who are already teaching literacy very successfully are irritated that the literacy hour often has disoriented, distracted and changed their effective teaching methods when it should have been focused on the areas where there was a problem.

Mr. Blunkett: The hon. Gentleman has done exactly the opposite. We listened to teachers, who at the beginning of September were sceptical, and who are now converted. We listened to those who thought that they had done everything they could, but have discovered that there was something else that they could have done. There is added value. If teachers are gaining higher results, we do not say, "Completely transform your teaching methods." If 90, 95 or 100 per cent. of children at key stage 2 are reaching level 4, we are not saying to the teachers concerned, "Drop what you are doing." However, that is not happening. When we came into office, 40 per cent. of our young people were not achieving level 4. That is the problem.

Across the country now—with the materials and with £60 million-worth of in-service training—children are beginning to reach that level. I want again and again, publicly as well as in the House, to ensure that Conservative Members are pinned down on whether they believe in teaching phonics. That is what the literacy hour is all about. Every time Conservative Members deny the literacy hour they deny, the best way of teaching, as developed by the national literacy centres which my predecessor established. The right hon. Member for South-West Norfolk (Mrs. Shephard) said that, if she had had the money, she would have spread the practice throughout the country. Well, we have put in the money and the resources, and we are putting in the teaching.

I want to deal with one other calumny, and that is the obsession that some in the country have—leader writers, journalists and a great many people who send their children to private school—not with 7 million children and their education, not with 24,000 schools, but with the issue of grammar schools. I want to place on the record the nonsense that has been written over the past two weeks. I do not intend to keep raising the matter publicly because we have something better to do, which is to raise standards for all our children rather than be obsessed only with a few.

I put it on the record again, for the umpteenth time since July 1995 when we published our proposals for parents to choose, that we are not abolishing any schools. We are not abolishing good schools. We are talking about allowing parents—the audacity, the sheer cheek—to decide whether they want to change the admissions policy for a particular school. We are setting a threshold before parents can have a ballot. Incidentally, the criticisms launched this evening about the way in which the Secretary of State can intervene if a ballot has been wrongly conducted are based entirely on the grant-maintained model introduced by the Conservatives.

The Tories do not understand the ballot paper, which will say that parents of a registered pupil attending a school which sends children to a named grammar school are entitled to vote in a ballot held in accordance with the Education (Grammar School Ballot) Regulations 1998. The ballot will determine whether or not the grammar school continues to select pupils on entry through examination by academic achievement—for example, using an 11-plus exam—or whether admission arrangements should be introduced that will admit pupils of all abilities. It asks whether the parents are in favour of the school introducing arrangements that admit children of all abilities. That is all that the ballot paper will say.

From reading *The Daily Telegraph*, the *Daily Mail* and even *The Sun*, it would seem that we committed some dastardly act of secretly hiding matters from parents who obviously, according to those who attacked us, are not

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intelligent enough to know that a grammar school that is called a grammar school is a grammar school, or who will not understand a ballot paper that asks them to decide whether they want the school to continue with an 11-plus examination. It is an insult to suggest that parents will not understand. Furthermore, the critics suggest that they should be forgiven for not wanting to change the admissions policies of those 160 schools, in perpetuity.

Mr. Willetts *rose—*

Mr. Blunkett: I shall give way, because we might as well have the matter out. It is a suitable time of night for dealing with it.

Mr. Willetts: Perhaps those parents believed the Prime Minister when he said of the 160 grammar schools that there are, "Let them remain." Does the Secretary of State agree with that statement by the Prime Minister?

Mr. Blunkett: It is important to make it clear, because I have heard both a parent and a head teacher suggesting otherwise on Radio 4's "Today" programme, that we do not propose to close the schools.

Mr. Damian Green (Ashford): Yes, you do.

Mr. Blunkett: No, we do not. We are doing one simple thing. We are not ruling from Westminster on admissions policies. We are not asking local education authorities to rule. We are not asking the schools to determine matters. We are asking the people who have a direct interest in whether their child enters a school whether they want to keep the current admissions policy.

Mr. Brady: Will the right hon. Gentleman give way?

Mr. Blunkett: Of course. We might as well have an education lesson, even though we are perilously close to 10 o'clock.

Mr. Brady: In the borough of Trafford, we need few lessons in education from the right hon. Gentleman or his party. The borough achieves top 10 results for GCSEs, and last year it had the best A-level results in the country. That position was achieved by grammar schools and secondary modern schools in my constituency and in the rest of the borough.

I want to pick up the Secretary of State on his clearly inaccurate statement that only parents with a direct personal interest would take part in a ballot. Let me tell him that parents in Stretford or Old Trafford have no interest in the future of a grammar school in Altrincham or Sale. They do not send their children there, and they have no direct interest.

Mr. Blunkett: I may be wrong, but I think that the hon. Gentleman is referring to the fact that some people in Trafford borough send their children to comprehensive schools because they have no choice of a grammar school in the area because there is a straight 11-plus. I think that that is the hon. Gentleman's message.

Mr. Brady: Can I make the message clear?

Mr. Blunkett: No, I have to wind up.

The truth is that the people who should decide are those who have an interest. Those people are parents within the area involved. Anyone who thought that we would allow a system of admissions to atrophy in perpetuity would have to be daft. No one in their right mind would ever do that.

We have found a sensible system of dealing with a difficult problem and we will ensure that no grammar school has to fear anything. They do not have to fear letting children into a school. If anything was wrong with what happened when the 11-plus was abolished throughout the country, it was that we did not raise the standard of the old secondary schools to that of the grammar schools—it was not the children entering, but the change in policy. A school that fears a child entry because he or she does not appear at that moment to be bright enough or has a special need, cannot face with us the challenge of the 21st century. What we want is for every child, in every school, in every part of the country to get a decent education, and, above all, to know that they will get a job.

Debate adjourned.—*[Mr. Pope.]*

Debate to be resumed tomorrow.

Arts (Liverpool)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Pope.]*

9.56 pm

Mrs. Louise Ellman (Liverpool, Riverside): Liverpool is a city of talent, and nowhere is that talent displayed more than in the arts. It is shown in Liverpool's fine theatres: the Everyman, the Playhouse, the Unity, the Royal Court, the Empire and the Neptune. It is shown in Liverpool's museums. Only a few months ago, Liverpool's conservation centre was declared the European museum of the year. It is shown in the city's unique Liverpool institute of performing arts, which trains the performers of tomorrow and which was opened by Sir Paul McCartney in 1996. It is shown in its orchestra—the world-renowned Royal Liverpool Philharmonic, which is a regional and national asset, nurturing talent for the whole community.

The talent is shown in Liverpool's imaginative festivals, such as "Brouhaha", "Africa Oye", "Hope Street" and the FACT—Foundation for Arts and Creative Technology—video festival. It is shown in its first-class galleries—the Tate and the Bluecoat. Films made in Liverpool include, "In the Name of the Father", and "The Hunt for Red October". Liverpool is the headquarters of the North West Film Commission and, in Mersey TV, Liverpool shows what it can achieve in television production.

Liverpool has produced a long—almost endless—list of excellent performers and writers. They include musicians from the Beatles and George Melly to Libor Pesek writers; such as Jimmy McGovern, Alan Bleasdale, Lynda la Plante and William Russell; and poets and artists such as Adrian Henri and Roger McGough. Actors who have performed in Liverpool at a critical time include Anthony Sher, Alison Steadman, Julie Walters and, of course, currently the Brookside cast.

Arts do matter. They matter for enjoyment and enhancing sensibilities and they matter in generating jobs through the increasingly recognised creative industries. All that is being acted on by this Government and the European Commission. I congratulate the Government on allocating an additional £125 million to the arts, in contrast with the cuts of the previous Tory regime. I also congratulate the Government on producing this month the first national report on the creative industries—the industries and jobs associated with the arts. Those industries generate revenues of £60 billion per year nationally and provide 1.4 million jobs. In Merseyside, 17,000 people are employed because of the creative industries, producing revenues of more than £92.6 million a year. Indeed, 5 per cent. of Liverpool's work force are employed in those industries.

The European Commission has recognised the economic importance of the arts, by funding arts-related activities through its objective 1 programme. Yet there is chronic insecurity in arts funding in Liverpool in two principal areas. That has come about because of the legacy of Tory cuts, together with the consequences of the abolition of Merseyside metropolitan county council in 1986.

It being Ten o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Pope.]*

Mrs. Ellman: Merseyside county council took responsibility for the arts.

The Royal Liverpool Philharmonic society has suffered budget cuts of more than £1.2 million in real terms over the past five years alone. I thank my right hon. Friend the Secretary of State for Culture, Media and Sport, my hon. Friend the Minister for Arts and the Arts Council for the support that they have given to the orchestra, but will they continue that support, including a possible bid to the lottery stabilisation fund? I note that the royal opera house recently received a lottery grant of more than £9 million from that source.

The Playhouse in Liverpool has been closed since January. Talks are under way to secure the reopening of the Playhouse in part of a new major retail development in Williamson square. I ask my hon. Friend the Minister, North West Arts, the Arts Council and others to support the theatre. It could be linked with the Everyman to give both theatres a secure future.

I seek a specific assurance that the survival of the Playhouse will not be at risk because of the commercial interests of the retail development in which it is to be housed, and I call on all those who gave commitments to ensure the future of the Playhouse to honour them.

I asked a parliamentary question last year about funding for Liverpool theatres, and discovered great disparity and inequity. I was told that, for 1997–98, public funding in theatres in various locations was as follows: Liverpool Playhouse to receive £700,000; Liverpool Everyman to receive £300,000; Birmingham Rep to receive £3.2 million; and Manchester Royal Exchange to receive £18.5 million. I welcome the funding that has been given to all those ventures, but why is Liverpool apparently not getting a fair deal?

Liverpool has displayed its excellence in theatres small and large, in music and in many other areas. In particular, it has shown the importance of the arts in local regeneration and community development, and in bringing opportunities to alienated young people, yet it appears that obstacles are still put in the way of enabling the best use to be made of available public funds.

For example, Artskills in Dingle, Liverpool 8, has worked successfully with disadvantaged young people since 1996, and its "Great Teams" murals hung outside St. George's hall this summer. Under its single regeneration budget, Dingle wants to extend the project to the Granby area, but it is having difficulty bringing together new deal funding and European social fund moneys. I trust that those difficulties will be resolved so that we can have joined-up thinking and show once more how the arts can contribute to the local community and to the development of young people.

The exciting Hope street project is seeking regeneration of the Hope street quarter—the area that houses the Everyman theatre, the cathedrals and the philharmonic hall. It wants to show how physical and cultural regeneration can go together, and I hope that the project can secure significant funding to enable its work to progress.

We have a new focus for our region. The new north-west regional development agency is being set up, and more powers are to be delegated to the region through

[Mrs. Ellman]

a restructured North West Arts. The north-west regional development agency, together with the north-west chamber, will bring new opportunities for our region, provided that they, regional Government Departments and North West Arts work together to promote regional strengths. Sufficient funding must be available if devolved powers are to be meaningful in the local area.

I welcome the new integrated regional dimension to our policy making, as the arts have much to gain from it. A strategic vision is needed. After all, planning for Liverpool's now world-famous maritime museum and Tate gallery took place at the time of the Merseyside county council, and I hope that the development of our regional perspective will restore strategic planning and vision to the arts in our area.

Liverpool is buzzing with cultural activity and enterprise. The Merseyside Music Development Agency, with its "creative Liverpool" project, and ACME—the arts, culture and media enterprise—are both working to support the arts and to promote arts-related businesses as part of regeneration, building on local strengths. Liverpool must not be allowed to lose its artistic talents. We are all responsible for promoting opportunities in which artistic talent can flourish. We must provide the infrastructure that will make it possible and attractive for the many people in Liverpool with great artistic talent and aspirations to remain in Liverpool and deploy their talents effectively.

Liverpool has now set its sights on becoming European city of culture in 2007. I hope that the Minister feels able to back that vision and recognise Liverpool as the cultural capital not just of the north-west but of the United Kingdom. Oscar Wilde commented after the first performance of Lady Windermere's Fan:

"The play was a great success, but the audience was a total failure."

Liverpool's play has been a long-running success story. The audience must now rise to the challenge.

10.7 pm

The Minister for Arts (Mr. Alan Howarth): I congratulate my hon. Friend the Member for Liverpool, Riverside (Mrs. Ellman) on securing tonight's Adjournment debate, for which she has chosen an important topic. She spoke with passion and enthusiasm about the role and achievement of the arts and the creative industries on Merseyside, and rightly so. Liverpool has been an astonishingly rich source of artistic activity for many years and more recently has been noted for the growth of its creative and media industries. As she said, Liverpool has been buzzing.

The traditional industries—import and export, the docks, car manufacturing—are being supplemented by new, growing industries, which are giving rise to a healthy mix of creative industries and cultural tourism businesses in the region. I should like to explain some of the ways in which the Government are fostering those new sources of growth. First, we are doing so through direct support for the arts. As my hon. Friend knows, central Government funding for the arts in England is channelled through the Arts Council of England. The Arts Council funds some arts organisations directly. It also provides the bulk of the funding for the regional arts boards, which in turn fund other artists and arts organisations within their regions.

As my hon. Friend reminded the House, in the later years of the previous Government, funding for the arts stood still. The Arts Council was forced to freeze funding to most of the bodies that it supports, both the regional arts boards, which include North West Arts as the board responsible for Merseyside, and its client bodies, which include the Royal Liverpool Philharmonic Society.

However, even within that bleak overall situation for the arts nationally, bequeathed by the previous Government, it has been possible to focus some resources where they are most needed, including Merseyside. In the last full financial year, North West Arts allocated £2,592,246 to arts organisations and activities in Liverpool—some 27 per cent. of its total spending—and the Arts Council allocated £1,507,000.

Liverpool has also benefited from the national lottery. To date, Liverpool has received £17.5 million for lottery projects financed by the Arts Council, including capital projects, the "arts for everyone" main scheme and the "arts for everyone" express scheme, as well as grants from the heritage lottery fund.

My hon. Friend mentioned the difficulties faced by the Royal Liverpool Philharmonic Society and the Everyman and Playhouse theatres in Liverpool. I understand and appreciate her concern about the problems faced by those organisations.

The Government are putting right the neglect of the arts that we inherited. My Department will receive additional funding over the next three years of £290 million, of which no less than £124 million will go to the arts. That represents the largest-ever single increase in spending on the arts in England. It is good news for the arts, and good news for the arts on Merseyside.

The good news is not just about money. The Government believe strongly in delegating responsibility and financial resources to the regions and to areas where decisions can best be taken in line with local interests and local needs. The new Arts Council, which my right hon. Friend the Secretary of State appointed earlier this year, shares that view. The Arts Council proposes that a substantial element of the extra resources for the arts that the Government are providing should be delegated to the regional arts boards.

The Arts Council expects the RABs to receive average increases in funding of 19 per cent. next year, 11 per cent. the year after, and 4 per cent. the year after that. Those increases in funding reflect our desire to make funding more equitable, taking into account not only current average per capita funding, but factors such as deprivation, which is an important consideration on Merseyside and in my hon. Friend's constituency. That will be an enormous boost to the arts in the regions, and to local decision making. Detailed allocations are a matter for the Arts Council, and will be announced next month, but I am confident that North West Arts will benefit substantially from the overall increase in resources available.

The Arts Council also proposes to enhance the status and flexibility of the regional arts boards by giving them more responsibility for direct funding of some of the companies and organisations presently directly funded by the Arts Council. The Royal Liverpool Philharmonic

Society is one of the organisations whose funding it is proposed to delegate to North West Arts. North West Arts will naturally be provided with the appropriate resources to provide funding for the bodies that it inherits.

I am deeply aware of the concerns of my hon. Friend and others who have raised with me the problems faced by the Royal Liverpool Philharmonic Society. I appreciate that these are difficult times for the society. I wish the society's chairman, Peter Johnson, chief executive, Antony Lewis-Crosby, and their colleagues every success in their continuing efforts to put the society on to a firmer financial footing for the future.

The RLPS plays an important role in the music infrastructure of Merseyside, and it is one of our major regional orchestras. It has a well-established education and community access development unit, and has established strong links with local community groups, schools and other music organisations. Everyone with an interest in the arts wishes it well, but its future needs to be based on something more tangible than just wishes. It needs support from all concerned.

The Arts Council, which funds the RLPS directly, certainly understands that need. In the last financial year, its grant in aid to the society was £1,482,800, or almost 30 per cent. of the society's income. The Arts Council and North West Arts, which is due to take over responsibility for direct funding, continue to monitor closely the situation in the RLPS, and I understand that they are keen to assist in whatever ways they reasonably can. The Arts Council has already assisted the society through a short-term difficulty by providing an advance of £0.5 million in this financial year.

I should like to emphasise the importance of partnership in helping to sustain creativity in the arts, support education and social inclusion and promote regeneration and economic opportunity. Where such partnerships have been most successful, they are often built on contributions from many partners: artists, audiences and patrons, businesses, donors, central Government and local government. Central Government play their part, through our overall support for the creative industries and directly, via the Arts Council or regional arts boards; but local government also has an important role.

Clearly, every local authority must be free to decide its own priorities in line with local needs, provided that it meets its statutory obligations. In the context of the arts, however, it is worth noting the economic, artistic and social benefits that the west midlands derives from the City of Birmingham symphony orchestra, which receives £1,058,000 from the city of Birmingham. Similarly, the city of Manchester provides £583,000 for the Hallé orchestra. Business, too, plays an important role in partnerships that support successful artistic ventures. I would like to encourage a spirit of partnership in support of the arts across the country, including Merseyside.

My hon. Friend mentioned Liverpool's theatres. There, too, taxpayers' funding is decided by the regional arts board. North West Arts will make allocations for the next three years to all its funded bodies, including those on Merseyside, in December this year or shortly afterwards. I understand that a report on theatre in Merseyside is due to be delivered to the Merseyside consortium for the arts in early December. The report will no doubt help to inform North West Arts' decisions about funding, drawing on research into the levels of funding given to comparable theatres in other major urban centres such as Leeds, Sheffield and Manchester.

My hon. Friend will understand that it would be wrong for me to try to pre-empt the decision by North West Arts, but I am sure that, in reaching its decision, the regional arts board will want to take into account the strong views that she expressed. Nevertheless, let me again emphasise the importance of partnership. Support must come not just from Government, through the Arts Council and North West Arts, but from other parties.

The importance of the arts to Merseyside extends far beyond just the performing arts. As my hon. Friend pointed out, in recent years there has been a tremendous growth in the creative industries in and around Liverpool. Earlier this month, my Department launched a report on those creative industries—industries such as music, publishing, design and the arts—which, as she observed, now generate £60 billion of revenue a year, and employ 1.4 million people nationally.

As my right hon. Friend the Secretary of State has said:

"The creative industries are not a fringe benefit for Britain's economy, they are at the heart of it. We are one of the most creative nations on Earth".

With a growth rate of 5 per cent., the creative industries are generating new jobs and new wealth for Britain more rapidly than any other part of the economy.

For that reason, the Government are taking steps to encourage creative entrepreneurs. Policies are being introduced to stimulate inward investment, to deliver training opportunities and to help businesses to increase their productivity and competitiveness in order to achieve sustainable employment and economic growth in that highly important sector of my Department's remit.

The arts and creative industries are also important in that they can counter social exclusion and draw communities together. My hon. Friend made that point powerfully. The arts can provide a real link between education, lifelong learning, community development and economic regeneration. Let me give some examples from Merseyside. Much important work is being done in Liverpool by the Merseyside ACME—arts, culture and media enterprise—which is a partnership between the five Merseyside local authorities and the north-west regional arts board.

The partnership has attracted £2.97 million of European regional development funds through the Merseyside objective 1 programme to support the expansion of the creative industries and contribute to the economic regeneration of some of the most deprived areas of Merseyside up to the millennium. Let me express my admiration for a number of projects that ACME has supported through its access and participation programme, all of which are well known to my hon. Friend.

ACME enabled the Greenhouse multicultural play and arts centre to run a project around the Windrush festival. The project involved children and teachers in schools in both Toxteth and Dingle who worked with elders from the Caribbean community. Their work helped to build better understanding between people with different cultural backgrounds and from different generations, and celebrated, through performing arts, the Caribbean contribution to British life over the past 50 years. The project resulted in performances of music and dance in all the participating schools, and at the opening of the Caribbean garden at the museum of Liverpool life.

[Mr. Alan Howarth]

Greenhouse has also been heavily involved in another ACME-funded project: L8 Children, Young People and Regeneration. Greenhouse has worked in schools in Toxteth and Dingle, using visual arts, dance, drama and poetry to enable participants to explore issues of regeneration that affect themselves and their communities. In that way, it is hoped that young people in Liverpool 8 will be able to have a voice in the decision making that affects their lives and futures.

In Dingle, a project called Voices is aimed at giving young people a voice, enabling the expression of their lives and visions—in contrast to damaging media stereotypes about the area. Young people will take part in a range of art forms and develop new skills. The project will build young people's capacity to participate meaningfully in the regeneration partnership. Part of the project will be the design and installation of artwork depicting the history of Liverpool 8 in the new city council housing office in the area. I welcome what my hon. Friend said about the importance of those and other such community cultural projects benefiting from the range of programmes that the Government have introduced, and the need for co-ordination between regional cultural agencies and other agencies.

The projects are excellent examples of local, community-based, community-led schemes. There are, of course, other larger and more prominent examples of how cultural development can take the lead in the economic and social regeneration of city centres and deprived areas. In my hon. Friend's constituency, as she mentioned, there is the excellent example of the Tate gallery, Liverpool, which was a catalyst for the development of the Albert dock complex—itself a symbol of Merseyside's renaissance after a period of economic decline.

The success and reputation of the Tate gallery in Liverpool has attracted considerable private-sector support, including major businesses such as Granada Television, Unilever plc, Save and Prosper Group Ltd., Mobil Oil, English Estates and Littlewoods. The Tate gallery is committed to the development of Liverpool as a city of learning. It will help to build the region's reputation as a centre of educational and training excellence and innovation, and as a provider of skilled arts professionals for the employment opportunities of tomorrow.

I should also mention, as my hon. Friend did, the conservation centre, which earlier this year won the European museum of the year award for the national museums and galleries on Merseyside. The NMGM institutions are renowned for their innovative interpretation of museum collections for people of all ages. The eight national museums and galleries have won 17 national and international awards in the past 10 years for excellence in education, as well as awards for architecture, tourism and scholarship. They have also been awarded £24 million of lottery money—the biggest heritage lottery fund grant yet for developments across seven museums, although it went especially to the Walker art gallery and the Liverpool museum.

The debate has covered a wide range of issues. The fact that we have covered so much is evidence, if that were needed, of the vitality and diversity of the arts and the creative industries on Merseyside. My hon. Friend spoke of her hope that Liverpool might be the European city of culture in 2007—indeed, she staked a claim for Liverpool as the cultural capital of the United Kingdom—and that would be wonderful. I know that she and many others in Liverpool will work toward it. They will certainly have my personal goodwill in their endeavour.

The good news for the arts, not only on Merseyside but nationally, is that, thanks to the Government's commitment, they are once again at the heart of public policy. We are providing more funding for the arts and more support for the creative industries, and giving more scope for local and regional partnerships to make the most of this vital and thriving sector. I am grateful to my hon. Friend for raising this important topic, and for allowing me the opportunity to give the arts and creative industries on Merseyside due recognition.

Question put and agreed to.

Adjourned accordingly at twenty-four minutes past Ten o'clock.

House of Commons

Thursday 26 November 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Business of the House

2.33 pm

Sir George Young (North-West Hampshire): May I ask the Leader of the House to give us the business for next week?

The President of the Council and Leader of the House of Commons (Mrs. Margaret Beckett): As the House is aware, the Debate on the Address in reply to the Gracious Speech will be brought to a conclusion on Tuesday 1 December.

The business following the conclusion of the Debate on the Humble Address will be as follows:

WEDNESDAY 2 DECEMBER—Until 2 o'clock, there will be debates on the motion for the Adjournment of the House.

Consideration of allocation of time motion relating to the European Parliamentary Elections Bill.

Proceedings on the European Parliamentary Elections Bill.

THURSDAY 3 DECEMBER—Debate on the European Union on a motion for the Adjournment of the House.

FRIDAY 4 DECEMBER—The House will not be sitting.

The provisional business for the following week will be as follows:

MONDAY 7 DECEMBER—Second Reading of the Water Industry Bill.

TUESDAY 8 DECEMBER—Second Reading of the Road Traffic (NHS charges) Bill.

WEDNESDAY 9 DECEMBER—Until 2 o'clock there will be debates on the motion for the Adjournment of the House.

Opposition Day [1st Allotted Day]

There will be a debate on an Opposition motion, subject to be announced.

THURSDAY 10 DECEMBER—Estimates Day [1st Allotted Day]

There will be a debate on prison sentences and alternatives to prison sentences. Followed by a debate on New Deal Pathfinders and Pathways into Work for Lone Parents. Details will be given in the *Official Report*.

At 10 o'clock the House will be asked to agree the winter supplementary estimates, the votes on account and supplementary defence votes.

FRIDAY 11 DECEMBER—The House will not be sitting.

[Thursday 10 December:

Estimates Day [1st Allotted Day]—Class IV, Votes 1 and 2: Home Office administration, police probation, immigration and other services, England and Wales and prisons, England and Wales, in so far as they relate to prison sentences and alternatives to prison sentences. Relevant Reports: the Third Report from the Home Affairs Committee, Session 1997–98, on Alternatives to Prison Sentences (HC 486).

Class 1, Votes 1 and 3: Department for Education and Employment, programmes and central services and Employment Service and Class XII; Department of Social Security, in so far as they relate to New Deal Pathfinders and Pathways into Work for Lone Parents. Relevant Reports: the Seventh Report from the Education and Employment Committee, Session 1997–98, Pathways into Work for Lone Parents (HC646); and the Eighth Report from the Committee, Session 1997–98, New Deal Pathfinders (HC 1059).]

Sir George Young: The House is grateful for next week's business and for an indication of the business for the week after. Can the right hon. Lady confirm that, very shortly, there will be a statement on the local government revenue support grant? Can she possibly tell the House the date when that is expected?

On General Pinochet, we understand your ruling, Madam Speaker, that this matter is sub judice. However, if the Home Secretary exercises his discretion, and it is no longer sub judice, can she confirm that the Home Secretary will make an oral statement to the House? Can the Home Secretary find a way of explaining how he plans to use his discretion—discretion that the House has given to him—on this subject?

On Wednesday, when we deal with the European Parliamentary Elections Bill, may we have confirmation that there will be the normal Committee stage? On the Bill dealing with the House of Lords, can the right hon. Lady confirm that it will begin in the House, and that all stages of this constitutional measure will be taken on the Floor of the House? Will she consider allocating extra time for a debate on the Second Reading of the Greater London Authority Bill, many stages of which we would again expect to be taken on the Floor of the House?

Finally, on the Christmas recess, is it her intention that the House should sit in Christmas week? Can she give us an indication of the dates of the Christmas recess?

Mrs. Beckett: On the right hon. Gentleman's first point, the date of the revenue support grant settlement will be 2 December—next Wednesday. The statement will be made here, then.

On the matter of General Pinochet, I, like the right hon. Gentleman, am conscious of your ruling, Madam Speaker. The right hon. Gentleman asked me to ask the Home Secretary to explain how he intends to use his discretion. I am not entirely sure that that can be reconciled with the ruling that he has just mentioned, but I take on board that he is anxious to have the issue explored.

The right hon. Gentleman asked about the handling of the Bill on House of Lords reform. Obviously, that will be subject to discussion. I anticipate that the Bill will begin in the House. He asked me for it all to be taken on the Floor of the House. I hope that that can be subject to discussion and agreement through the usual channels in the ordinary way.

The right hon. Gentleman pressed me to provide extra time for the Greater London Authority Bill, and to take much of it on the Floor of the House. Again, the issue of

[Mrs. Beckett]

what and how much should be taken on the Floor can be discussed—and, I hope, agreed—through the usual channels. As for whether we should have more than the normal first day for the Bill on the Floor, he makes a fair point. I am not at all unsympathetic, and I will certainly consider giving the extra time that he seeks.

The right hon. Gentleman asked about the proceedings on the European Parliamentary Elections Bill. I anticipate that the Bill will go through the proper proceedings. The Government motion will be published next week.

The right hon. Gentleman asked about the Christmas recess, and I sympathise. I realise that we are much nearer to the Christmas recess than perhaps is entirely comfortable for hon. Members before publishing the dates. Equally, he will appreciate that we are, literally, in the first week of the new Session. I am afraid that I cannot give him the dates today. I shall give the House the information as soon as I can.

Mr. David Winnick (Walsall, North): Will we have a statement next week on the court judgment in Japan on the allied prisoners of war? Is my right hon. Friend aware that this matter has been raised on a number of occasions, when colleagues from both sides of the House have referred to the unspeakable treatment which British and other allied prisoners suffered at the hands of the Japanese—one of whom is my constituent, Stephen Long? Should not the British Government take up this matter with the Japanese, because those people who served so bravely in the war and were treated in such a terrible and evil manner are simply asking for an apology from the Japanese Government, and for compensation? Yesterday, we had an excellent decision on human rights, but the decision by the Japanese on the subject has been very poor.

Mrs. Beckett: I understand my hon. Friend's strong views and the concerns of his constituents. The whole House sympathises deeply with those who brought the case for the suffering that they have endured, and we understand their disappointment. I fear that I am not in a position to offer my hon. Friend a statement next week, but it will not have escaped his notice that we are to have a debate on foreign affairs in the House tomorrow.

Mr. Andrew Stunell (Hazel Grove): Liberal Democrats welcome the decision to move ahead quickly with the European Parliamentary Elections Bill. Can the Leader of the House give us an assurance that the Government will push ahead speedily to ensure that all stages of the legislation are in place in time for there to be fair and proportional elections in Europe next year, and that we can overcome the obstructions of the House of Lords?

Will there be time for a debate on the Acheson report on public health, which was one of the central planks of Labour's manifesto at the general election? It would be right and proper for the House to have an opportunity to discuss the important recommendations in the report.

May I draw the attention of the Leader of the House to early-day motion 33,

[*That this House notes that there are an estimated 44 million television sets in the United Kingdom, and that many require up to 80 per cent. of full power when in stand-by mode; notes that on the Parliamentary Estate there are over 2,000 monitors and sets, all of which are frequently in stand-by mode; believes that significant energy and financial savings could be made by switching off wasteful stand-by units; therefore calls for a vigorous national campaign to raise public awareness, and to promote the rapid introduction of less fuel-consuming technology; and requests the House authorities to examine urgently their purchasing and operating policies to minimise the waste of electricity by stand-by units in the Parliamentary Estate.*]?

Can the right hon. Lady find time for the House authorities to consider whether savings could be made by switching off television and computer monitors in the Parliamentary Estate, which would contribute to the Government's achievement of the Kyoto targets for the reduction of greenhouse gases?

Mrs. Beckett: I am grateful to the hon. Gentleman for his kind remarks about the Government's intention to press on with the European Parliamentary Elections Bill. I can certainly assure him that it will be speedily dealt with in this place, but he will appreciate the fact that I am not in a position to know what will happen to it thereafter. Indeed, the fact that we cannot know such things is the reason for re-introducing the legislation in the first place.

The Acheson report was commissioned by the Government and it is certainly our intention that the findings should contribute to our wider health strategy, which will be spelt out in the White Paper, "Our Healthier Nation", in the new year. I certainly expect that the report will be taken into account, but I cannot offer a statement specifically on the subject in the near future.

The hon. Gentleman makes a fair point about television monitors. I rather think that it is a matter for the Accommodation Committee or another Committee of the House rather than directly for me, but I am sure that my observations and his will have been heard.

Mr. Peter L. Pike (Burnley): My right hon. Friend will know that the Government are imminently to issue a consultation paper on leasehold reform. There is to be a major lobby on the subject next week. Governments over the years have tried to deal with the matter, so can my right hon. Friend give us an assurance that, when we have a debate in Government time, on a motion for the Adjournment of the House, we will have time to debate fully all the complexities?

Mrs. Beckett: I am most grateful to my hon. Friend, who takes a great interest in this subject, as do many hon. Members. What is discussed in Adjournment debates is not necessarily a matter for me, but we are all very conscious of both the complexity and the importance of the subject. I feel confident, knowing his experience and ingenuity, that he will find ways of raising the matter.

Mr. Peter Brooke (Cities of London and Westminster): There is no edge to this question. What rules are the Government currently applying on parliamentary private secretaries intervening in debates or asking oral questions relating to their Departments?

Mrs. Beckett: I cannot say off hand, to be perfectly frank. I am grateful to the right hon. Gentleman for saying

that there is no edge to his question, but I am sure that there is a point to it. If it is a point that concerns him, perhaps he will let me know.

Mr. Dennis Skinner (Bolsover): In view of the fact that you, Madam Speaker, have already ruled that we cannot have a debate or a statement on the question of Pinochet, would it be in order for me to say, on behalf of many Labour Members, that we would regard it as gut-wrenching if he was allowed to go back to Chile?

Mr. Robert Syms (Poole): That's a quote.

Mrs. Beckett: I am confident that it was unnecessary to say that that was a quote. I hear what my hon. Friend says and I understand his concern, but I am ever mindful, Madam Speaker, of your reminder to us of the status of that matter.

Mr. John Bercow (Buckingham): Further to the disturbingly non-committal reply by the Leader of the House to my right hon. Friend the shadow Leader of the House, will she confirm that the European Parliamentary Elections Bill—a constitutional measure—will have a Committee stage?

Mrs. Beckett: I fully expect that the House will have a proper opportunity to consider the Bill. Perhaps the hon. Gentleman was not present, but I remind him that we have already considered the Bill in full.

Mr. Andrew Mackinlay (Thurrock): Further to the question asked by my hon. Friend the Member for Walsall, North (Mr. Winnick), may I draw to my right hon. Friend's attention the fact that I have asked in the past whether we could have a dedicated debate to consider the issue of war veterans, widows and dependants? The last time we had such a debate was on 1 July 1996 and it was one of the best attended Friday debates. There would be universal interest in the House in giving the issue substantial parliamentary time and perhaps it should become part of our annual parliamentary calendar, like the debates we have on the armed forces and the police. I hope that my right hon. Friend will give early consideration to the matter.

Mrs. Beckett: I am most grateful to my hon. Friend and I know what a great interest he takes in the matter. He has a strong record of advocacy on behalf of veterans and their families, who have made great sacrifices for this country. I shall bear his remarks in mind.

Rev. Martin Smyth (Belfast, South): The Leader of the House will probably have seen the press release issued by Families Against Intimidation and Terror about punishment beatings, which have continued even during November, and alleging that a high percentage of those beatings have been carried out by those recently released on licence. May we have a statement in the House next week to examine the issue and probe it further?

As a Member who represents a constituency from which it is not possible just to run up the road to London, may I press for an early notification of the Christmas Adjournment? Many other people want to get back home for Christmas and the planes might be full.

Mrs. Beckett: I do indeed take the hon. Gentleman's last point and I apologise to him and to the House. I am sure that the House will appreciate that, after the length of the overspill, we are in an unusual position this year in that we are in the first week of the Session, yet close to Christmas.

On the hon. Gentleman's serious first point, I know that the issue is of as much concern to my right hon. Friend the Secretary of State for Northern Ireland and her Ministers as it is to him and all who wish to see a settled peace emerging among the communities in the island of Ireland. I will take great heed of his remarks, but I cannot at this moment undertake to arrange a statement next week.

Mr. Gareth R. Thomas (Harrow, West): My right hon. Friend will be aware of the excellent progress that has been made to reform the health service. I invite her to join me in congratulating the newly elected and very enthusiastic members of the Harrow West primary care group, which has just had its first meeting. When will the legislation on the modernisation of the national health service come before the House? We need to sweep away the last vestiges of the appalling internal market which wasted so many resources on bureaucracy.

Mrs. Beckett: I am entirely happy to join my hon. Friend in congratulating the Harrow West primary care group and I am confident that their enthusiasm will lead to the provision of a better system of health care in the locality. The national health service legislation will come before the House as early as possible, but I cannot at this moment give my hon. Friend a date.

Mr. Desmond Swayne (New Forest, West): Has the right hon. Lady read Glasgow's *The Herald* today, and does she agree that the leaking of any Select Committee report is a gross discourtesy to the House?

Mrs. Beckett: I fear that my daily reading does not encompass *The Herald*, for which I feel confident that I should apologise. I certainly agree that leaking is always to be deplored, and it is something in which I have never engaged.

Dr. Desmond Turner (Brighton, Kemptown): In recognition of the fact that there are 400 days to go until the millennium, will my right hon. Friend indicate the Government's progress on preparations for that event? Will it be possible for the House to debate an issue that could have grave consequences if it is not successfully handled?

Mrs. Beckett: As my hon. Friend will know, the Government have put in hand measures to tackle any problems that may arise from the millennium date change. We are working to ensure that there is no material disruption of services. We also have a mechanism for regular reporting to the House on progress in Government Departments and in the wider public sector. I hope to be able to make the latest information available to the House in the not-too-distant future. I fear that I cannot now promise my hon. Friend a debate on the matter, but it is an issue to which we may return in time.

Mr. Syms: Will the Leader of the House make representations to the Foreign Secretary for an early statement to the House on security and travel

[Mr. Syms]

arrangements for British citizens going to Chile? The right hon. Lady may not be aware that 2,000 boy scouts, guides and leaders will attend the world scout jamboree in Chile on 20 December, and that many of them will take off for that event over the next few weeks. Many parents are anxious to receive advice from the Foreign Office before their children go to a country where relations are a little volatile at present.

Mrs. Beckett: I can help the hon. Gentleman immediately. He need merely come to the House tomorrow to ask the Foreign Secretary himself about the situation.

Mr. Michael Fabricant (Lichfield): As the hon. Member for Brighton, Kemptown (Dr. Turner) has said, there are 400 days to go until the millennium. Will the right hon. Lady find time for an emergency debate on the Jubilee line? Is she aware that in the Select Committee on Culture, Media and Sport just three hours ago, the chief executive of London Transport said that he could not guarantee that the line would be ready for the opening of the millennium dome? Is she aware that the New Millennium Experience Company says that at least 55 per cent. of those who will visit the dome would need to get there via the Jubilee line if the dome were to be viable?

Mrs. Beckett: I was not aware of the statement made by the chief executive of London Transport. I am sure that all hon. Members will be sorry to learn that there may be difficulties, but I feel confident that we can rely on the Deputy Prime Minister to take the matter up with some vigour.

Dr. Vincent Cable (Twickenham): May I request an early statement on a major tax anomaly that affects about 300,000 low-income, non-taxpaying pensioners who stand to lose an average of £75 a year as a result of the withdrawal of tax credit on dividends? Is the right hon. Lady aware that a file on that subject has been sitting in the pending tray of the Paymaster General for more than five months, despite a public assurance to the House that the matter would be dealt with quickly, and despite an assurance in June from an all-party group—including the new Solicitor-General—that it would be dealt with urgently and sympathetically?

Mrs. Beckett: I hear the hon. Gentleman's observations. I know that such matters are not always easy to resolve, and I am aware that what Departments regard as "urgent" sometimes takes rather longer than people outside think reasonable. However, the hon. Gentleman makes a fair point, and I shall draw it to the attention of my hon. Friend the Paymaster General and my hon. and learned Friend the Solicitor-General. I am confident that they will wish to make progress as fast as they can.

Sir Patrick Cormack (South Staffordshire): May I ask for clarification on two points? Can the Leader of the House confirm that it will be possible for hon. Members to table amendments to the European Parliamentary Elections Bill, and that the timetable motion will provide an opportunity for those amendments to be properly debated? Secondly, 18 December, a Friday, is listed in the Order Paper as a non-sitting day.

Mrs. Beckett: 11 December?

Sir Patrick Cormack: No, 18 December. In view of comments made by hon. Members, can the right hon. Lady assure us that the House will not be called back for a single day on the Monday of the week after 18 December? If there is any chance of an extra day being needed, will she ensure that it is the Friday rather than the Monday for the convenience of House staff and of all those who serve us?

Mrs. Beckett: I hear what the hon. Gentleman says and I will bear that in mind. Presumably, he is suggesting a full day of business on that Friday. I have mixed feelings. Although I take his point about the potential disruption and about not calling the House back for a single day, that presumably also means that he is suggesting I should call the House back for several days, which may not be as popular as he thinks. However, I feel confident that that is a matter that ought to be, and will be, considered through the usual channels.

On the hon. Gentleman's first question, I am not sure why Opposition Members keep raising that matter. Of course, there will be a proper timetable motion and the House will go through the proper stages of consideration of the Bill, as it always does. I am not prepared to be any more discursive on the matter because anyone who listened to Conservative Members would think that the House had been deprived of the opportunity to debate the measure.

Mr. Bercow: It has to be fully considered.

Mrs. Beckett: The hon. Gentleman is right. We have fully considered it and we rejected the views of another place on no less than five occasions, apart from all the ordinary time that we spent on the Bill. Of course, the House will have a proper opportunity to consider the matter and come to a view, but any notion that the Conservative party will be able to use it to further prolong debate on the matter will not meet with a warm reception on the Government side.

Point of Order

Mr. Tony Benn (Chesterfield): On a point of order, Madam Speaker. Clearly, you will not be able to give me an answer on this matter today, but it is of great importance. As you will know, the speech from the Throne is the principal occasion on which the Executive disclose to Parliament their policies for the year and we make a lot of it: we keep Black Rod out and we go to the other place to hear it. However, it has come to my attention that the leader of the Liberal party, who was given a copy of the speech the night before, read it to his parliamentary colleagues. So, when the House met on Tuesday to hear the debate, the only group of Members who knew its contents were an Opposition group. I am not raising with you why Labour Members were not told, as that is a matter for my party.

I believe that it has been a common courtesy for some time for Opposition leaders to be given a copy of the speech in confidence to help them to plan their strategy. My point to you is that the relationship between the Executive and the legislature is being fundamentally changed.

The House has many divisions—between left and right, Government and Opposition, Front Benchers and Back Benchers—but the only constitutional distinction is between the Executive and the legislature. If the division between the two is blurred so that an Opposition party has members on a Cabinet Committee and Opposition Members have access to knowledge that is not available to other hon. Members, could it be true to say that the Liberal Democrats are in opposition? They enjoy the right to Opposition Supply Days and so forth.

What is happening—it is for the Prime Minister to determine—is that a private coalition is being established, which has not been disclosed to the House, while those who are party to it still enjoy the full rights of opposition. That merits consideration. I wonder whether you could give us your judgment on that matter at a suitable time.

Madam Speaker: I appreciate the point that the right hon. Gentleman raises. As he said, he has given me no notice of it and wants me to reflect on it. I will certainly do so.

BILL PRESENTED

Rating

Mr. Secretary Prescott, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Mr. Secretary Michael, Ms Hilary Armstrong and Mr. Nick Raynsford, presented a Bill to make provision about valuation for purposes of non-domestic rates in England and Wales: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed [Bill 2].

Orders of the Day

Debate on the Address

[Third Day]

Order read for resuming adjourned debate on Question [24 November],

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament—[*Mr. Ashton.*]

Question again proposed.

Health and Welfare

2.59 pm

The Secretary of State for Health (Mr. Frank Dobson): At the general election, the people knew that the national health service was in a bad way. They could see what a mess the NHS was in after 18 years under the Tories and they feared for its future. In response to their concerns, we promised to save the NHS, to guarantee its future, to stick to the principles on which it was founded and to renew and modernise it so that people in every part of the country get top-quality treatment. We are keeping those promises and the measures announced in the Queen's Speech will mark another big step forward.

All that we want to do will take time. We cannot put right in 18 short months all the damage that the Tories did over 18 long years, but we can make a good start and we have. We have got under way the biggest hospital building programme in the history of the NHS. New hospitals started under this Government are already being built on sites at Dartford and Gravesham, Norfolk and Norwich, Royal Berkshire and Battle in Reading, Carlisle, Calderdale, north Durham, south Manchester, High Wycombe, Amersham, Greenwich, central Sheffield and Rochdale. The building programme does not end there. Our £2.4 billion programme is planned to deliver a further 20 new hospitals from the new Royal London in Whitechapel to the Royal hospital in Gloucester, and in places as far apart as Newcastle, Hereford and Hull.

The renewal programme does not end there. Far too many patients and staff have for far too long been expected to put up with run-down, shabby premises and unreliable equipment. We must change all that and we are changing it. More money is being invested in renovation and modernising older buildings and in replacing run-down plant and equipment. Next year, one quarter of existing accident and emergency departments will be modernised to provide faster, better services for patients and, equally important, a safer working environment for staff.

Since we got in, we have increased spending on the NHS by £2 billion more than the previous Government had budgeted to spend. As we announced in the summer, after conducting our comprehensive spending review we will be investing an extra £21 billion in the NHS over the next three years, an average annual increase of 4.7 per cent.—described by the NHS Confederation as "beyond our wildest dreams". It was certainly beyond the wildest dreams of the Tory and Liberal parties. They and various newspapers announced in advance of the comprehensive spending review that any increase less than 3 per cent. a year would not be enough. Compared with what they called for, we are investing half as much again—£21 billion to strengthen and modernise the NHS to make it fit for the new century, the new millennium.

Miss Ann Widdecombe (Maidstone and The Weald): Does not the right hon. Gentleman misrepresent the position of both the Liberals, for whom I do not particularly want to speak, and ourselves? Did we not say anything less than 3.1 per cent. over the lifetime of the Parliament? Over the lifetime of the Parliament the Government are spending not 4.7 per cent., but 3.6 per cent.

Mr. Dobson: The right hon. Lady is wrong. Representatives of the Tory party said that they expected us in future years to match what they had been spending on the NHS. We are matching it virtually this year, although this budget was set not by this Government, but is a hangover from the previous Government. Next year, the year after that and the year after that the increase will average 4.7 per cent., which is far in excess of anything that the Tories called for. The right hon. Lady should sit still and accept that we are doing more than they asked us to do. In those circumstances Opposition Members should sit tight and say, "Thank you".

Mr. Simon Burns (West Chelmsford): What thanks should my constituents give the right hon. Gentleman concerning hospital waiting lists? Some have been waiting for 12 months or more for treatment. According to the Department's own figures, on 31 March 1997, 104 people were waiting for hospital treatment and as of 30 September—18 months after the Labour Government came to power—1,155 people were waiting for hospital treatment. What thanks should those people give the right hon. Gentleman?

Mr. Dobson: From bitter experience of these debates, I take the hon. Gentleman's figures with a pinch of salt. *[Interruption.]* I did not say that they are wrong, but that I take them with a pinch of salt. I will check afterwards because, strangely, I do not have every figure to hand. What I do know is that since April, hospital waiting lists in the country as a whole have come down by the best part of 100,000, just as we said that they would when we found the extra £500 million to bring them down—£500 million that Tory Front-Bench spokesmen said that we should not have found. It is no good them prating about the length of waiting lists and then objecting to us finding the money to bring them down.

Mr. Burns: Will the right hon. Gentleman give way?

Mr. Dobson: No.

Looking further to the future, we have committed this Government, and, therefore, future Governments, to increasing the number of medical student places from 5,000 to 6,000 to avoid shortages of doctors in six, seven, eight or more years. That is because this Government take their long-term responsibilities seriously. When it takes such a long time to train doctors and nurses, short-term measures simply will not do. That is why we are increasing the number of training places for both doctors and nurses.

Over the past few years, the system of nurse education and training has developed in a way that has deterred the recruitment of young people who did not relish an academic course, and some new nurses are not as well equipped with the necessary practical skills as they and the health service would like when they start work. The United Kingdom Central Council for Nursing, Midwifery and Health Visiting is already looking into this, and we intend to work with the professions to modernise nurse education and training to deal with these and associated problems while retaining the better aspects of the current system.

We have already started to encourage care assistants and others to train to be nurses by providing the necessary courses and by letting them keep their existing salaries while they are carrying out their training. That is one way

of getting into nursing people who, under the present system, have felt excluded. We think that that is right and proper. I hope that everyone in the House agrees with what we are doing because we need the right staff with the right skills.

Mr. Simon Hughes (Southwark, North and Bermondsey): Will the right hon. Gentleman give way?

Mr. Dobson: Go on then.

Mr. Hughes: No one could disagree with the intentions behind the Government's staffing policy, but when does the Secretary of State expect the shortages of places for about 1,000 midwives, 1,000 doctors and 10,000 nurses to be made up?

Mr. Dobson: It certainly will not be tomorrow. The problem has not arisen over the past 18 months, but has been building up over a long period. In some places there are sufficient nurses, midwives or doctors while in others there are shortages. It is almost impossible to predict at the Dispatch Box with worthwhile precision when that is likely to be put right, except in particular areas. That is what we are going to address.

Dr. Evan Harris (Oxford, West and Abingdon): Will the right hon. Gentleman give way? It is to help him out.

Mr. Dobson: I do not think that I am so desperate that I need to be helped out by a Liberal, but I will risk it.

Dr. Harris: I am grateful to the right hon. Gentleman for not trusting his better judgment. The recommendation was for an urgent increase of 1,000 medical school places. The Government's pledge is to do it over seven years. If that is how long it takes to implement the Campbell committee report, it will be time for another crisis. The matter is urgent. Does he share the British Medical Association's regret that the timetable is not quicker?

Mr. Dobson: We are on schedule with the earlier recommendations and intend to be on schedule or better with the new recommendations, which we have accepted. Strangely, the Campbell committee did not, like a Liberal, think that we could suddenly create 1,000 extra medical student places with a flick. That shows that Sir Colin Campbell and his colleagues live in the real world, unlike the Liberals.

We have to look after the staff we have better than we are currently doing. We are already taking action to protect them from the assaults and abuse to which they have been subjected. We are getting help and advice from the Suzy Lamplugh Trust, which has great expertise, about hospital layouts and methods of working. With the help of my right hon. Friends the Lord Chancellor and the Home Secretary, we are ensuring that the louts who assault nurses, doctors and ambulance staff are caught and punished. When discussing the problem with members of the professions, they tell me that when they raised it with my Tory predecessors, the answer they got was, "These sorts of assault and abuse reflect the society we live in now." Well, it is not going to be that sort of society in future.

Hospitals have been told to introduce family-friendly employment policies, to improve occupational health and to deal with the racism and discrimination that still shame some parts of our national health service. We all know that pay is a crucial factor. We have made a start by introducing extra pay and status for nurses and midwives at the top of their grades, so that to continue nursing will be worth their while, instead of their being forced to further their career by going into management.

We want all health service staff to be properly and fairly rewarded, but, as my right hon. Friend the Prime Minister told the Royal College of Nursing, we know that pay has to be affordable and support our modernisation agenda. With the agreement of those concerned, we have made clearer the terms of reference of the review bodies. We know how unwelcome the staging of pay awards has been; the challenge that faces the review bodies is to produce recommendations that are fair to staff and affordable for the NHS, so that staging can be avoided.

When we entered office, waiting lists were the longest in history and rising fast. We promised to bring them down, but, as I have told the House before, when I looked at the prospects for last winter, I had to make a difficult decision. I decided that the most urgent need was to avoid a winter crisis, so I asked the national health service to concentrate on winter pressures, which it did. I also said that if that meant that waiting lists continued to rise, I would take the responsibility. They did rise and I did take the responsibility. We are not like the Tories: we do not blame health service staff when things go wrong, only to claim the credit when they go right.

Since the end of April, waiting lists have started to fall. We found an extra £500 million to help to bring them down and the NHS staff are doing a brilliant job with the money. Waiting lists fell by 3,000 in May; by 21,000 in June; by 20,000 in July; by 20,000 in August; by 29,000 in September; and they are still falling fast. Since that has started to happen, the Tories and the Liberals, led by the right hon. Member for Maidstone and The Weald (Miss Widdecombe), have claimed to have discovered examples of fiddled figures and of people who have had to wait more than 18 months for treatment. Every single one of their claims has been proved untrue. They make their allegations, but do not check the facts; in so doing, they smear the hard-working staff who they say are fiddling the figures.

Miss Widdecombe: The right hon. Gentleman says that every one of our allegations has been proved untrue. Would he tell me what is untrue about the case of Mr. Wiles, who waited 32 months?

Mr. Dobson: If the right hon. Lady will give me the details, I shall look into that case. There are 44 million people in England, but the right hon. Lady picks just one of them and says, "Here's a name—has this man had his operation delayed?" All I can say is that every case I have seen on paper has proved to be untrue.

Mr. Burns: Will the right hon. Gentleman give way?

Mr. Dobson: No, I will not.

The Leader of the Opposition has picked up that bad habit from the right hon. Member for Maidstone and The Weald. It must be admitted that the right

[Mr. Dobson]

hon. Gentleman's speech on Tuesday was a fun-packed affair, but it was also a fact-free zone. He peddled one of the right hon. Lady's good old stories about Bradford. She knows that what she says about Bradford is not true, so either she warned her right hon. Friend not to use that story and he did not heed the warning, or she dropped him in it. Maybe she has gone off him. The right hon. Gentleman should watch out: look at what the right hon. Lady did to her former boss at the Home Office.

Miss Widdecombe: As the right hon. Gentleman loves all things on paper, he will presumably have taken the trouble to read the internal memorandum circulated at Bradford hospitals NHS trust by Bradford—not by us. That internal memorandum has been supplied to him. Is he saying that it is a pack of lies?

Mr. Dobson: That memorandum is wrong in one particular respect. It says that new guidelines have been issued, but that is not the case. Bradford is following the national health service executive's data manual, which was published in January 1997. In case the right hon. Lady is suffering from a premature attack of Alzheimer's, I remind her that the Tory Government were in power in January 1997. Bradford is following the procedures that they laid down. I might add—for what it is worth—that not a single person has been removed from the list, even as a result of implementing the Tories' guidelines.

Miss Widdecombe *rose—*

Mr. Terry Rooney (Bradford, North) *rose—*

Mr. Dobson: I will give way to my hon. Friend from Bradford, who may know a little about the situation.

Mr. Rooney: I thank the Secretary of State for giving way. The chief executive of Bradford hospitals NHS trust has written to me regarding the remarks of the right hon. Member for Richmond, Yorks (Mr. Hague). He writes:

"I thought you would appreciate a brief note from me to explain that he has fundamentally misunderstood the internal memorandum . . . No patients were removed from the waiting list as a result of this memorandum. All categories of patients previously included in statutory waiting list returns continue to be included".

Mr. Dobson: And answer came there none.

To ensure that waiting lists continue to fall, I have announced an extra £320 million from our NHS modernisation fund to continue next year our relentless war on waiting. I hope that my hon. Friend the Member for Bradford, North (Mr. Rooney) will continue his relentless war in search of the truth. Not only waiting lists, but waiting times will come down.

We also inherited from the Tories huge cuts in the number of hospital beds. For years, the accepted wisdom was that reducing the number of beds in the health service did not affect patient care. That notion always struck me as being slightly contrary to common sense. It is certainly a fact that, in order to cope with winter pressures last year and perform the extra waiting list operations this year, hospitals have used scores of extra wards and hundreds of extra beds.

Of course, beds are not the be-all and end-all in the health service, but we will not keep waiting lists and waiting times down unless we have the right number and type of beds in the right place. Under the Tories, every hospital was encouraged to do its own thing. As a result, there was no sensible planning and co-ordination. That is why I have established an inquiry to discover how many beds we really need, what sort of beds they should be and how to make the best use of every single one of them. We have also started to put right many of the other problems facing patients and the NHS.

Take cancer, for example. When we came to power, breast and cervical cancer screening systems in some parts of the country were a scandal. It is no wonder: under the previous Government's internal market, nobody had the power to check screening standards. We have changed all that—it is one reason why we are scrapping the Tories' internal market. We are setting new performance standards and we will ensure that they are met. The national health service executive regions have been given that job. Tory shadow Ministers call it centralisation, but I call it common sense. There must be no more scandals like Devon and Exeter, and Kent and Canterbury, which occurred because there was no one to check that standards were being met.

We have put extra money into breast cancer treatment. By next April, every woman who is referred urgently to a breast cancer specialist should be seen within two weeks. We are putting extra money into treating bowel cancer. On top of that, we plan a multi-million pound lottery-funded boost to the fight against cancer. That will mean new scanners, new breast screening equipment and new linear accelerators to provide better and quicker diagnosis and treatment. It will mean extra help for hospices. We will make the NHS the best cancer service in the whole wide world.

We have started to harness the power of information technology to meet patients' needs. We are committed to investing £1 billion on new systems so that when patients visit the doctor or district nurse or go into hospital at any time of the day or night, their accurate records will be available at the touch of a button. Test results can therefore be dispatched instantly and doctors will be able to discuss patients' scans or X-rays with a specialist looking at a screen hundreds or even thousands of miles away.

We have also launched pilot schemes for booked admissions so that people can arrange over the phone to go into hospital at a time that suits them. If their GP says that they need an out-patient visit, the receptionist at the surgery will be able to make the booking. If, when they go to out-patients, they are told that they need to come into hospital for in-patient treatment, they will be able to book their admission there and then.

Mr. Graham Brady (Altrincham and Sale, West): Will the Secretary of State give way?

Mr. Dobson: No, I will not.

We have made a start on all those proposals and many more and, above all, after long and careful consultation with doctors, nurses, midwives, professions allied to

medicine and NHS managers, we have made a start on getting rid of the Tories' divisive internal market, which was unfair and inefficient.

Mr. Brady: Will the right hon. Gentleman give way?

Mr. Dobson: No.

That system set doctor against doctor and hospital against hospital, and slowed down the spread of new and better treatment and ways of working. It was wasting a fortune on paperwork. I shall give a simple example. When we got into power, the eighth wave of GP fundholding was about to go ahead, and the Tories had put £20 million into the NHS budget just to pay for the paperwork that was involved. We stopped that measure and put half the money saved into breast cancer treatment, where most people would think that it was better spent.

In place of the divisive system that we inherited, and following detailed consultations with representatives of all the professions involved and negotiations with the British Medical Association, representing the doctors, we are going ahead with the establishment of primary care groups. Their boards will consist of GPs, nurses, representatives of social services and lay members. In each primary care group, doctors can choose, if they wish, to elect a majority of the members of the board and take the chair.

With the co-operation of the professions, 481 primary care groups have been established in shadow form and will come into operation next April as sub-committees of their health authority. As we promised, we are putting doctors and nurses in the driving seat. They will be responsible not only for commissioning services from hospitals, but for deciding local priorities and raising standards of care.

The development of primary care groups and the ending of GP fundholding commands the support of the medical profession. In June, the local medical committees conference of the BMA came out in favour of the proposals by an overwhelming majority. The Royal College of Nursing, the Royal College of Midwives and other bodies representing professional staff also support what we propose.

Of course, some doctors are nervous about our proposals. After all the ridiculous reorganisation of the Tory years, who could blame anyone in the NHS for having doubts about any further changes? Doctors have a lot at stake: their patients' well-being, their careers, their premises and their livelihoods and those of their families. That is why we have been careful to involve them at every stage in formulating our policies. That is how this Government work. It is no good the Tories and Liberal Democrats trying to make trouble.

On Tuesday, the Leader of the Opposition said, in his blithely fact-free way, that our proposals would take power away from GPs. That is a funny way to describe an arrangement whereby GPs elect those who will represent them on the board that covers their local area and whereby they can have a built-in majority on the board. That is good enough for the BMA, but apparently it is not good enough for the Tory leader. I have to admit that he is consistent because his attitude to the House of Lords suggests that he would not recognise a built-in majority if one bit him.

The changes will lead to a massive reduction in bureaucracy. At present, the transactions between trusts and GPs involve nearly 4,000 separate purchasers. Our proposals reduce the number of organisations commissioning services to 481. They will also mean a move from contracts covering a year or less to service agreements covering several years. We are on target to reduce the cost of NHS paperwork by £1 billion over this Parliament—£1 billion less on paperwork, £1 billion more for patients.

We are determined to raise standards throughout the NHS to those of the best. In this, again, we have the support of the professionals. I am fortunate to be the Secretary of State for Health now as there has never been a time when the doctors, nurses and midwives were so committed to raising standards, spreading good practice and dealing promptly and effectively with the small minority of practitioners who let down their patients and their profession. Up to now, the NHS as an organisation has made no contribution to raising professional standards. We propose to augment what the professions have been trying to do. That is why our proposals command their support.

Patients want to be assured that their local hospital is up to scratch.

Mr. Brady *rose—*

Mr. Dobson: No, I will not give way at the moment.

To do that we need clearer national standards, applicable throughout the NHS. We need national standards because patients are not willing to put up with variable quality and second best. That is why we are setting up what we call NICE—the National Institute for Clinical Excellence. It will draw up authoritative guidelines on a wide range of treatments and conditions, and so help to ensure that patients everywhere get faster access to treatments that work well.

The National Institute for Clinical Excellence will be professional-led. I have appointed as chairman designate Professor Michael Rawlins from Newcastle university, the Royal Victoria infirmary and the Freeman hospital, Newcastle. I promised the medical profession that we would appoint someone who commanded its support and respect. As I made the announcement at a meeting chaired by the chairman of the BMA who said that I had done exactly what I had promised, I am confident that Professor Rawlins is the man for the job.

We are also going to launch a rolling programme of national service frameworks, which will set out "service blueprints" for major conditions. To be fair, the previous Government established one national service framework for cancer, and it is developing well. We have established one covering children's intensive care, and we are now working on heart disease and mental health. For the first time ever, the NHS will have clear standards in each area, spanning primary, secondary and tertiary care.

Of course, it is no good having standards if they are not implemented and monitored. Above all, this needs action locally, within primary care groups and local hospitals. That is why our national health service Bill will place a legal duty of quality and "clinical governance" on every NHS organisation. In future, all hospital doctors will have to take part in national external audit, and we shall work with the professions to modernise the system of

[Mr. Dobson]

self-regulation so that it is able to command the confidence of the public. It has to become more effective, more open and more accountable. It cannot operate in isolation, but must form part of an integrated approach to raising standards.

All this will be backed up by a new commission for health improvement. Patients themselves will be represented on the commission, and its findings will be published. It will be responsible for checking on the standards of every trust, and it will have statutory powers to investigate concerns about clinical quality and to report on the clinical governance of trusts. In extreme cases, it will be able to recommend to the Secretary of State that new teams of experienced doctors, nurses and managers are sent in promptly to take over the running of any service that is failing.

I must make it clear that none of this is designed just as a clampdown on poor performance after the event; it is designed to ensure high standards in the first place, and to nip problems in the bud before they ever do patients harm. At its bluntest, what patients want is a system that prevents future tragedies like that at Bristol before they happen, not one that just apportions blame and punishment afterwards. That is what the NHS Bill is designed to do; that is why it commands the support of the profession; and that is what we are determined to achieve.

Mr. Brady: I am grateful to the Secretary of State for giving way eventually. It was apparent to all in the House why he was so evasive at the point at which I first sought to intervene. Will he take this opportunity to make it clear that, when patients are pre-booked for operations or in-patient treatment, of which he has made so much, they come off waiting lists—sometimes several weeks before an operation?

Mr. Dobson: As the pre-booking system that I have just been describing has not yet begun, it is a little difficult for the hon. Gentleman to say that such things are happening already. The system is entirely new; people on the list are clearly waiting for treatment. Let me make it clear—

Mr. Brady *rose—*

Mr. Dobson: The definition that we inherited from the previous Government is that people who are waiting for treatment go on waiting lists if they are fit and immediately available for surgery, even if they have a booked appointment. I see no reason to change that. The hon. Gentleman should not peddle another misleading approach. You can see how evasive I am, Madam Speaker.

The NHS Bill will cover a wide variety of measures to improve the quality of treatment and care in every part of the country, and will change the law to improve co-operation between the health service and local social services. All that will be spelt out in due course.

We propose two legislative changes to protect the taxpayer and the health service's funds. The pharmaceutical price regulatory scheme is being renegotiated. To date, the scheme has been voluntary, and I hope and expect that we shall be able to reach another voluntary agreement with representatives of drug companies which meets their legitimate objectives as well as those of the NHS. We have, however, decided to seek reserve powers to ensure that all companies subsequently comply with the agreement. That should have no significant impact on the vast majority which always have complied and are complying at present. It is directed at a small minority of maverick companies. We estimate that their failure to comply has cost the NHS £28 million this year. That cannot be allowed to continue; it must be stopped.

As announced by the Chancellor of the Exchequer, as long ago as his first Budget last year, we will amend the Road Traffic Act 1988, passed by the previous Government, to make it easier for hospitals to collect from insurance companies the money that they have been entitled in law to collect since the 1930s. The present arrangements simply do not work and, as a result, the NHS is losing a huge amount of revenue. We do not know how much; estimates vary from £30 million a year to more than £500 million a year. Whatever the figure, the extra funds for the NHS will be very useful.

Miss Widdecombe: Will the right hon. Gentleman give way?

Mr. Dobson: The right hon. Lady should let me finish. There are two charges under the present law: an emergency treatment fee of £21.30, which is supposed to be collected at the hospital directly from any motorist who has been involved in an accident. That raises very little, asking for it causes great offence and it is not what NHS accident and emergency staff are there for. The Tories promised to abolish it, and broke their promise. We will abolish it.

The other charge is levied on insurance companies when a motor accident victim makes a successful claim for compensation. At present, it covers the cost of out-patient treatment up to £295, and the cost of in-patient treatment up to £2,949. That money should have been collected in the past; it was not, but it will be from now on, and I am glad that we are doing it. Apparently, the right hon. Member for Maidstone and The Weald does not want me to give way any more.

Under the Tories, the health gap between the well-off and the badly off widened. It was a shameful consequence of 18 years of Tory rule. The Government are determined to narrow that health gap. In July 1997, shortly after taking office, I invited the former chief medical officer, Sir Donald Acheson, to conduct an inquiry into health inequalities in Britain. I did so because I was determined to make an early start on our mission to reduce health inequalities the top priority in our overall programme to improve the nation's health. Today, I welcome his report. It is a further stage in our unprecedented programme to tackle inequalities in health.

No previous Government have ever set themselves such ambitious targets, but we are confident that we can succeed, because the whole Government are taking action. Led by the Prime Minister, all members of the Cabinet are working together to tackle the problems that make people ill.

Poverty is a principal source of ill health. Poor people are ill more often, and die sooner. Our tax and benefit changes, the working families tax credit and the minimum

wage mean that work will pay a guaranteed minimum of £190 a week for a family. That will guarantee a minimum income of at least £5.50 an hour for a lone parent in work with one child, and £6.37 an hour for an adult with two children.

A poor start in life is bad for health. Our £540 million sure start programme, under the supervision of my right hon. Friend the Minister for Public Health, will give young children and their parents the child care and support that they need, so that every child in our country is given the best possible start in life.

A decent education sets people up for better health in later life. Earlier this month, as part of our work to drive up standards in schools, we announced an extra £250 million aimed at children who are disaffected with their schools and with society in general. That should help them.

Being old and cold in winter because of a lack of money to buy warm clothes and good food, and being afraid to turn the fire on, is bad for health. Our £2.5 billion boost to pensions will ensure that the poorest pensioners are the biggest winners, with a guaranteed minimum weekly income of £75 for single pensioners. That will drive up health standards, as will our plans for annual winter fuel payments, the £150 million investment in home energy efficiency, the availability this winter, for the first time, of flu jabs for all those over 75, and the scrapping of the Tory charges for eye tests for pensioners.

Low wages can only reasonably be described as a health hazard. We are improving health by introducing a national minimum wage, putting money into the pockets and handbags of the worst off who are in work. Bad housing makes people ill, so we are investing £4 billion in the building of new and better homes for people who have nowhere decent to live. That will improve their health. Being out of work makes people ill; our new deal, financed from the windfall levy and opposed by both Opposition parties, has helped more than 400,000 extra people into jobs.

By April next year, 13 million people will be helped in 26 health action zones designed specifically to tackle health inequalities in areas including inner cities, coalfield communities, struggling rural areas and places where wealth and poverty live cheek by jowl.

Mr. David Rendel (Newbury): Much of what the Secretary of State has announced may be welcomed on both sides, but does he agree that cuts in incapacity benefit and widows' pensions will not improve health?

Mr. Dobson: The hon. Gentleman should wait to find out what the proposals actually are before commenting on them. No doubt he will say that there ought to be increases, and that they will all be financed by the penny on income tax that the Liberal Democrats have been promising everyone.

We are investing £800 million in the new deal for communities to help the most deprived parts of the country. A reshaped single regeneration budget of £2.3 billion over the next three years will be targeted on the most deprived authorities to a greater extent than it was under the last Government. The integrated transport White Paper will help to ensure that public transport is a powerful weapon to alleviate poverty, improve access to jobs, and strengthen families and communities. The social exclusion unit will continue to co-ordinate a national drive to support people who have been cut off from the mainstream of society, which also damages health.

We are already doing most of what is called for in the Acheson report. We are tackling health inequalities with action throughout Government, and there is an important—although not exclusive—role for the Department of Health. Modernising the health service and ensuring fair access in every part of the country to services is a vital component of that effort.

Health action zones are already starting to identify and tackle health inequalities in the most deprived areas. There will be a network of healthy living centres throughout the country which will be working to improve the health of the worst-off. We shall soon be publishing our White Paper against smoking, with action focused on the socially disadvantaged who are most likely to smoke and therefore most likely to suffer the evil consequences.

Our Green Paper, "Our Healthier Nation", made clear our commitment to tackling health inequalities. The Acheson report will be used to ensure that the White Paper on public health, due next year, will be based on the best available evidence.

I am grateful to Sir Donald Acheson and to the many knowledgeable people who assisted him in producing his report. Inequalities that have persisted throughout the century and often worsened in the past two decades will not be swept away overnight. Their work will be a key influence on our long-term strategy to narrow the health gap.

All the measures that the Government are taking show that we are not only working to renew and rebuild the health service. We are also tackling the things that make people ill in the first place. It will be a long job and there will be problems along the way. However, we are keeping our promises. We are changing priorities, changing the law and finding the money. No doubt the Tories will now demonstrate that they oppose the whole lot.

3.41 pm

Miss Ann Widdecombe (Maidstone and The Weald): The Secretary of State commented that the Opposition should sometimes say thank you. The right hon. Gentleman has demonstrated clearly that sometimes the Government should say sorry. That is what he should have started by saying.

The proposals on health in the Queen's Speech show finally and beyond all doubt that the Government are much more interested in political control than in patient care. They further reflect a great wasted opportunity, in that the Secretary of State has not addressed the central problem in the health service, which will trouble any Government, no matter what their political complexion: the huge disparity between expectation and demand and the capacity of resources and manpower to keep up with that expectation and demand.

The fact remains that even if the Secretary of State were spending all that he is claiming to be spending, it would still not be possible to close that gap. The absence—in this addressing of the health service, which in reality addresses nothing at all—of any serious plan for coping with the single greatest problem of the health service cries out as an indictment against the Government's approach.

There is something else for which the Secretary of State should apologise, although it is a matter for him: in the course of an exchange with me, he made a frivolous

[Miss Ann Widdecombe]

comment about Alzheimer's disease. I must tell the right hon. Gentleman that Alzheimer's is not a joke. Many people will be grossly offended by what he has said, including people who are caring for the sufferers of Alzheimer's—and I dare say that there are people in the House who fall into that category.

Political control lies at the heart of the Government's agenda. It is an agenda to control everything from the fiddles in the waiting list statistics to the medicines that a family doctor is allowed to prescribe to patients. That is what the measures in the Queen's Speech will permit the Government to do. There will be top-to-bottom turbulence in our health service that will disrupt and disturb the work of doctors and nurses, and create uncertainty and upheaval for patients for years to come. That is exactly the reverse of what the Prime Minister promised. In June 1996, the right hon. Gentleman pledged to health service managers that there would be no great upheavals. That is another Labour pledge broken.

The control culture that is being imposed on our health service is set to cause great harm to patients and to the morale of our doctors and nurses. Already our hospitals are buckling under the strain of trying to meet the Government's bogus pledge on waiting lists. We know that operations are being cancelled, that hospitals are facing terrible staff shortages, we know that doctors and nurses are working horrendous hours to force through quick procedures, and the trolley problem is growing. Do we remember the trolley problem? That was what Labour promised to abolish the moment it came to power—*-[Interruption.]*—the patients lying in corridors waiting to be seen, which is now, apparently, a subject of great hilarity on the Government Benches.

The right hon. Member for Camberwell and Peckham (Ms Harman) had the trolley problem in mind when she opined:

"If I am Secretary of State for Health I will lie awake at night worrying until we get this sorted out."

I do not want to disturb the peaceful nights that the right hon. Lady is doubtless now enjoying, but Labour's obsession with its fiddled waiting list pledge is resulting in an army of trolleys descending on the health service.

The situation seems to be particularly serious at the Royal Liverpool hospital. The *Liverpool Echo* tells of patients waiting for hours on trolleys in hospital corridors, apparently terrified by out-of-control youths. An elderly patient's daughter wrote to me, telling of her mother's seven-hour wait in pain on an uncomfortable and unsuitable light trolley in appallingly hot conditions, just to be seen by the doctors. It is horrifying to hear of a 95-year-old man examined in public on a trolley in the waiting room of the accident and emergency department, to be told that his leg was to be amputated. That happened just one week after the first anniversary of the new Labour Government. The man died one week later.

Just two years ago, as Leader of the Opposition, the present Prime Minister said:

"I do not see why people should be kept waiting on trolleys for hours in a modern NHS."

He promised a task force specifically to look into the problem of patients waiting on trolleys. The right hon. Member for Camberwell and Peckham promised weekly performance checks on the number of patients waiting on trolleys. What happened? Where is the task force? Where are the performance checks? More broken promises, and more early pledges cancelled.

Another example is the Minister of State's comment on accident victims. He said:

"The increased charges are a tax on accident victims"

and described the provision in the Road Traffic Act 1988 as "a sick law". Is it still a sick law, now that he is responsible for widening its scope? If not, how does his proposal differ from the present system, and will the extended charge be compulsory?

The Minister of State, Department of Health (Mr. Alan Milburn): In the interests of accuracy and the pursuit of truth again—and to set the record straight for the right hon. Lady, as I would not want her to be wrong again—what I have campaigned against both in opposition and in government is the emergency treatment fee. It is insensitive to patients and embarrassing for staff. The right hon. Lady's Government promised to abolish it, but they failed to deliver that promise. This Government are abolishing it, and I am proud that we are.

Miss Widdecombe: The Minister of State referred to a tax on accidents. If, as a result of the Government's proposals, it is true that insurance premiums will go up—I shall not make a value judgment on whether that should happen or not—is that a tax on accidents? Is that the first new charge that the Labour party is to introduce on free NHS treatment? I shall willingly give way to the Minister of State, who made the comments, but I see that the Secretary of State wants to respond.

Mr. Dobson: My right hon. Friend the Minister of State was correcting the right hon. Lady's assertions about him.

We are not introducing anything new. Since 1930 or 1933, depending on one's interpretation, anyone who has been the victim of a road accident and has made a successful claim against an insurance company should have been charged—or his insurance company should have been charged—for the treatment. However, that has not been done. We intend to make the system work as Parliament intended when it re-affirmed that by passing the Road Traffic Act 1988 without any votes against. That is not a tax on accidents, but an emergency charge on anyone who needed treatment was a tax.

Mr. John Bercow (Buckingham): On a point of order, Madam Speaker. I seek your guidance. Is it not out of order for an hon. Member to be reading a newspaper in the Chamber, which, it seems clear, the hon. Member for Rugby and Kenilworth (Mr. King) was doing until a few moments ago?

Madam Speaker: If a newspaper article relates to the debate, or if information is being obtained from it, it is in order to read it, whether in Committee or in the Chamber.

Mr. Andy King (Rugby and Kenilworth): Thank you, Madam Speaker.

Miss Widdecombe: I return to the matter in hand, which is the subject of the debate between the Secretary of State and myself.

I quite understand what the right hon. Gentleman has said, which is that he is seeking to change the system by which money is collected. But he also said that that was to collect it more efficiently and to get the money in. If that is true, I think that he will accept that the additional sum, which has not hitherto been collected as efficiently as it should have been, will have to be covered.

The question is simply this. If, in the process of covering that—I make no value judgment on whether this should be so; I am simply asking—drivers have to pay more, is that not a charge? The Secretary of State does not want to answer.

All these problems and bungles are happening at a time when the health service is supposed to be awash with new funding. The Secretary of State never tires of bragging about all the money that he claims to be spending, so how can anyone now believe—

Mr. Dobson: Is the right hon. Lady's definition of a bungle 18 years of not getting in money to which the NHS was entitled, or a Government who, after 18 months, are going to get that money in?

Miss Widdecombe: My definition of a bungle is when a Secretary of State does not know what is a charge and what is not. That is a bungle. He is afraid of the word "charge", but when the matter is discussed in the House, the exact extent of the way in which the Government are wriggling out of calling this a charge will become extremely clear.

How can anyone now believe the Government's warm words about modernisation? The truth is that too much of the money that the hon. Gentleman claims he is spending will go on a new bureaucracy—the bureaucracy that will not be cut in the upheaval that the Prime Minister assured us he was not about to impose on our health service.

Primary care groups will cost £150 million to set up. Is that a bureaucratic expense or not? Dragooning family doctors into general practitioner collectives—

The Minister for Public Health (Ms Tessa Jowell): Dragooning!

Miss Widdecombe: The hon. Lady obviously takes exception to the word "dragooning", so let us examine it.

When the Conservative Government set up fundholding, it was voluntary. Primary care groups are not voluntary. When we set up fundholding, doctors could choose whether to become fundholders. They have no choice about joining primary care groups.

Ms Julia Drown (South Swindon): Does the right hon. Lady accept that, in making the system that she mentions voluntary, her Government necessarily set one doctor against another and one patient against another, whereas primary care groups will ensure that patients are treated like with like, and that clinical priority becomes the priority?

Miss Widdecombe: No, because what the hon. Lady proposes is a levelling down, not a levelling up. By the time that we left office, between 50 and 60 per cent. of general practitioners were either fundholders or had applied to become fundholders because they saw the system working. We introduced the system gradually and volunteers entered the first phases, and thereafter it was still voluntary. More and more doctors were joining the system and, had it continued, every doctor would have been either a fundholder or a member of a multifund. That would have given flexibility to each and every doctor to exercise in the interests of each and every patient. Every patient in the NHS with a fundholding doctor had exactly the same rights as any patient going to a private doctor to consult that doctor about where and to whom to be referred. That was what we did with fundholding, and that is what is being abolished. Patients' rights are being abolished, and doctors' rights to their clinical judgments are being abolished.

There is no choice. They are being dragooned. They are not even being dragooned gradually—it is all happening in one big bang, so that if anything is going to go wrong, it will go wrong universally on the first day. That is the policy of the Government.

Ms Drown *rose—*

Miss Widdecombe: The hon. Member for South Swindon (Ms Drown) must control her jack-in-the-box tendency. I will not give way at the moment. I have already explained it to her—she wants to level down; the Secretary of State wants to level down; and the Minister of State is wholly committed to levelling down. The Conservative party wants to level up.

Mr. Simon Hughes: I take it from that that the right hon. Lady is opposed to the Government's proposals. Will she elaborate on one linked point? Does she also hold to the view, expressed at her party conference, that the NHS will work properly only if fewer people use it by going private?

Miss Widdecombe: What I expressed at the party conference was that it was total spending that counted. If one simply looked at public spending, and ignored completely the contribution that people made in their own right, one was necessarily limiting the degree to which we could increase total spending. If the Secretary of State would like to look at the spending patterns of our major European partners, he will find that, whereas public spending differs by a few points of 1 per cent., private spending differs by multiples. Those countries do not have many of the problems that we have because they have learnt that it is total spending that counts.

Actually, I should not be addressing the Secretary of State—I really ought to be addressing the hon. Member for Southwark, North and Bermondsey (Mr. Hughes). However, it is easy to confuse the Labour party and the Liberal Democrats today, and we are never quite sure when the Liberal Democrats are in opposition and when they are part of the Government.

Mr. Hughes: Will the right hon. Lady give way?

Miss Widdecombe: For the Opposition or the Government?

Mr. Hughes: Opposition.

Miss Widdecombe: I shall give way.

Mr. Hughes: I wish to press the right hon. Lady a little further. That was a long answer about health funding

[Mr. Hughes]

comparisons. Is the short answer to my question that she believes that the health service will only function better if fewer people use it because they go private?

Miss Widdecombe: I believe that the health service can treat more people and can give a comprehensive range of treatments if some of the burden of expenditure is shared. At the moment—as the hon. Member for Southwark, North and Bermondsey knows, because he has said so in this House—a number of people have no treatment at all and cannot exercise any alternative.

I have letters from elderly people, telling me that they can no longer receive clinical treatment for varicose veins on the NHS. Several have cashed in their life savings to go private. I make this deduction. Some people cash in their life savings and go private, however difficult that may be. Therefore, there must be people who cannot get the operations that are no longer available and cannot exercise a private alternative. At conference, I said that we would help to get a greater range of treatment available to NHS patients if there were more sharing between the private and the public sectors.

Perhaps I can return to the Queen's Speech, which we are supposed to be addressing. I am sorry that I was led into a discussion of my party conference. I am flattered that the hon. Member for Southwark, North and Bermondsey took such a close interest in it and I would be delighted to give him a verbatim copy if he wants to study it.

Dr. Desmond Turner (Brighton, Kemptown) *rose—*

Miss Widdecombe: I will give way again later, but I want to make some progress now.

Let us consider the national institute for the control of expenditure—sorry, I mean the national institute for clinical excellence—which will be the Government's rationing mechanism. As the Government claim that there is no rationing, where is the final directive that the Secretary of State promised on Viagra? I am extremely grateful to Viagra. It solved a very big problem: getting the Government to admit the truth—that the NHS has always rationed, is rationing and is likely to ration increasingly as it is unable to satisfy every last demand for every new treatment.

That is the truth that I stated at our party conference and that the hon. Member for Southwark, North and Bermondsey has also stated, but from which Labour Members consistently hide. The NHS cannot meet every last expectation. Undeniably, the national institute for clinical excellence will lay down what it calls priorities and what the man in the street would call rationing, forcing it on PCGs and removing once again the clinical discretion of individual doctors.

Can the Minister of State confirm his threat to change the Medical Act 1983 by ministerial edict rather than by secondary legislation if he wants to dismantle the 150-year-old tradition of clinical self-regulation, as exemplified by the General Medical Council? He sits tight.

The Government told us that NICE and CHIMP—the commission for health improvement—would not require any extra funding, but the British Medical Association and the Royal College of Physicians disagree, telling us that without 10 per cent. more consultants, effective pilot schemes and proper evaluation the proposals will be catastrophic. Can the Secretary of State produce 10 per cent. more consultants? Will there be effective pilot schemes? Will he evaluate the proposals before rushing into them? I suspect that the answers will be no, no and no.

NICE and CHIMP will not be the end of the exciting career opportunities that the Government are creating for Tony's clinical cronies. We are also to have an advisory committee on resource allocation, a capital prioritisation advisory group and local education consortiums. It is unclear how health and local authorities are to be duty bound to administer joint investment plans without new co-ordinating bureaucracy.

Can this really be what the Government meant when they said that they would divert money from health service managers into front-line patient care? Even without this massive increase in pen pushing, the huge upheaval in the health service under Labour's new structures of political control will devastate patient care.

The Government are not abolishing the internal market, as they claim. If the Secretary of State needs a definition, the internal market is the purchaser-provider split, and the Government are keeping that, by their own admission. The administrative shock of imposing massive new bureaucracies nationwide, combined with huge regulatory control on family doctors, will be immense, with consequent disturbance to patients.

The centrepiece of the agenda is the imposition of primary care groups. If they are so popular, one wonders why the Secretary of State does not propose to ballot the medical profession. Why was he not prepared to do that if he was so sure that a majority would be in his favour?

Mr. Dobson: Some people at the BMA urged the GPs' representatives to hold a ballot and they decided—I assume that they are in contact with the members they represent—that that was not necessary, because the bulk of GPs agreed with what we were doing, following all the consultations we had had with them and the excellent, if tough, negotiations that they had had with my right hon. Friend the Minister of State. It is no good the right hon. Lady screeching away about how terrible our proposal is and what harm it will do to general practice, when the general practitioners accept it.

Miss Widdecombe: But they do not accept it. Since then, the BMA have produced several opinion polls. It was not a comprehensive ballot, but one poll showed that 55 per cent. of doctors wanted nothing to do with the running of primary care groups.

Will the Secretary of State confirm that, if his Bill is not in place by 1 April—and that is a tight and ambitious timetable—his entire upheaval of family doctor services will be in ruins, because he will not have the power to coerce the many unwilling GPs into collectives? Does he have a contingency plan to avert the chaos that that would bring to our health service or is he hoping against hope that fundholding family doctors will come quietly and surrender their autonomy to his regime of political control?

According to a poll in *BMA News* on 4 February 1998—if the Secretary of State wants the reference, although he has had time enough to catch up with the

findings—55 per cent. of doctors actively want no part in the running of the collective. Can we blame them? Primary care groups are set to make medical eunuchs out of our family doctors by giving them responsibility but taking away power.

Doctors will have responsibility for rationing, through the guidance of NICE and Prodigy, and prescription budgets will be capped for the first time in the history of our health service. I shall repeat that, in case the Secretary of State missed it: prescription budgets will be capped for the first time in the history of our health service. Doctors will bear the responsibility for the Government's failure to meet their fiddled waiting lists, because doctors will have to reduce their referral rates to hospitals.

Mr. Tony McNulty (Harrow, East): This is no good.

Miss Widdecombe: No, indeed, the proposals are no good. They are rotten and the hon. Gentleman is right.

Mr. Dobson: Will the right hon. Lady give way?

Miss Widdecombe: I shall give way in a minute. Individual family doctors will have no power to manage their budgets. They will have no power to innovate or to maintain the specialised services that they have developed for patients through fundholding. Doctors will have no power to drive improvements to local hospital services. The Secretary of State is keeping all the power, but he is making others responsible for his policies.

Mr. Vernon Coaker (Gedling): The right hon. Lady has gone to great lengths to defend doctors and their professional status. Will she acknowledge that one of the advantages of primary care groups is that they value not only doctors, but nurses, health visitors and all the other people who contribute to the community's health? She is undermining their role in the primary care groups.

Miss Widdecombe: The hon. Gentleman should ask the nurses, because they complain bitterly that they have been squeezed out. The nurses say that the Secretary of State and the Minister of State gave way to the doctors. The nurses claim that the situation is exactly the opposite to the one that the hon. Gentleman suggests.

Mr. Coaker: Will the right hon. Lady give way?

Miss Widdecombe: No. His first intervention was not worth having and the second one almost certainly will not be.

Mr. Dobson *rose—*

Miss Widdecombe: Sit down! I beg your pardon, Madam Speaker. I was not calling on you to sit down. Would the Secretary of State please sit down and wait until I give way to him, which I have said I shall do. I am a lady who keeps her word and I shall give way to him when I come to a natural pause. When I give way I hope that the Secretary of State will answer the following question. Will he admit that his proposals will impose a four-tier service for patients, with the quality of care determined by postcode? Those patients who were previously served in an area with many fundholding family doctors will be lucky, because they are likely to be served by a primary care group that is not simply a focus group for the local health authority.

The right hon. Gentleman should take note of the BMA's GP committee chairman, who has stated that collectives will mean that

"people in different parts of the country will receive different levels of service . . . we will see increasing variations in how the NHS is developing . . . this cannot be good for patient care."

The most insidious thing of all about that is that the patient will have no choice.

Mr. Dobson: For once, the right hon. Lady gave us the origin of one of her facts, saying that a poll had shown that doctors were against our proposals, but she admitted that that poll was published in February. I have to tell her that this summer, the British Medical Association, representing doctors, agreed to accept what we are proposing. It is reasonable to assume that those who had been fundholders might have been the most opposed to what we are doing, but today, Clive Park, general manager of the National Association of Primary Care—to which the National Association of Fund Holding Practices has changed its name—has said that it wants to make sure that PCGs work and work well, and that it will support the Government.

Miss Widdecombe *rose—*

Mr. Michael Fabricant (Lichfield): Will my right hon. Friend give way?

Miss Widdecombe: I think that I must first answer the Secretary of State's point. Of course doctors, being responsible, will try to make work any legislation that is foisted upon them. They are not irresponsible people, and they will not sit in the streets, refusing to make it work. They will do their best. The point is that the Government are making that extremely hard for them.

Mr. Fabricant: My right hon. Friend is absolutely right. My office spoke yesterday to a fundholders' association, and its president said that there was no point in opposing a Government who have such a large majority that they will twist the doctors' arms. That shows how committed that association is.

Miss Widdecombe: It does not sound like a terribly enthusiastic endorsement of the Government's proposals.

Hitherto, patients have been able to choose a fundholding family doctor if they thought that it would benefit their care. Under the GP collectives system, they will be assigned to a PCG simply on the basis of where they live. We will end up with a four-tier service distributed according to postcode.

Helen Jones (Warrington, North): I have listened carefully to what the right hon. Lady has said about patients having the choice of a fundholding practice. That clearly is not true in my constituency where the most deprived areas have few fundholding practices. The people who live there do not have that choice. Under the system introduced by the previous Government, those people had lower levels of primary health care, higher rates of limiting long-term illness and a much worse

[Helen Jones]

service than that in the more affluent areas in the south of Warrington. Does the right hon. Lady want all that to persist?

Miss Widdecombe: The hon. Lady listened to me so carefully that she has made my point for me. That is exactly what I was saying. We wanted to level services up. We wanted patients who did not have fundholding GPs to be able to go to fundholding GPs. We wanted every GP to be a fundholder or a member of a multi-fundholding practice. I have the interests of the hon. Lady's constituents at heart. She would level them all down.

Quality of patient care will depend on the rung of the primary care group on which the patient's own collective stands. If the collectives are on the first rung, they will be totally toothless, and all that they will be able to do is to advise their health authorities. If they are on the fourth rung, they may have a little freedom, subject to the controls of NICE and CHIMP, to provide something other than a basic service. Labour's collectives will not have any control over their own budgets, or the ability to try to re-develop some of the innovations lost with fundholding until they have been able to wrench free of the grip of the health authorities, and that may take years.

Let us turn to the Secretary of State's favourite boast—waiting lists. It is well known by now that his official statistics do not begin to reflect the full nature of the problem that he has created. He knows better than anyone that the figures are being fiddled and the patients are being diddled.

Mr. McNulty: Does the script say, "Pause here for laughter?"

Miss Widdecombe: I shall go on saying that, because it is true. Labour Members may moan and groan, but they will do more moaning and groaning when their constituents realise exactly what the patient care reforms will mean to them. When they realise that they can no longer discuss with their doctor where and to whom they should be referred, there will be moaning and groaning and the Government will be called to account. I would not be at all surprised if it was the Government's stewardship of the NHS that was the most potent factor in bringing them down at the next general election.

It is not merely a question of the massive distortions in clinical priorities that have been caused by treating quick, simple cases at the expense of more complex, and often more serious, ones. We need look no further than the Secretary of State's own figures, which show that the number of people waiting more than 12 months has doubled since he came to power. How he can smile about it, I do not know. The British Medical Association has told him time and again that, unfortunately, giving priority for political reasons to patients whose need is less

"is happening because the Government have put themselves and therefore all of us on a most unfortunate hook."

Those are the words of the previous chairman, Dr. Sandy Macara. When he referred to "all of us", I think that he meant patients and not merely practitioners.

The Secretary of State has himself admitted, albeit reluctantly and after a lot of probing and questioning, that there is "some build up" in the waiting list to go on the waiting list. In other words, he has shifted the bulge from one list to another. So, when will he publish the combined figure with all his waiting lists added together, as he promised? He has the information already. What is he afraid of? Is he afraid that that will prove that the real waiting lists are still rising as a direct result of his bungling?

Let me help him, since he has the figures but does not appear to be able to add them up. Doing so would show that for the last month for which figures were available the real waiting lists were up 243,600 since the election—almost five times higher than the figure that the Government now claim.

The right hon. Gentleman may not be aware of the waiting list for the excision of skin cancers, which, according to a local doctor, currently extends to about four months—four months for a cancer waiting list, that Essex Rivers health care trust refuses even to acknowledge or to put into its submissions to central returns on waiting lists. He likes paper and I can give him the documentary evidence.

Mr. Dobson: Will the right hon. Lady please give me the documentary evidence and I will deal with it.

Miss Widdecombe: The right hon. Gentleman is good at this. "Give me the documentary evidence," he says, "and I will deal with it." Unfortunately, he does not. Instead, he puts a good spin on what has been going on. He does not deal with the problem. For example, when we raised the problem of a child who had certainly waited in excess of the longest limits that the right hon. Gentleman claims, giving the name and all the details of the trust concerned, we were told from the Dispatch Box by the Minister of State—it is in *Hansard*—that the operation would take place on such and such a date as the trust had always planned. That was a good piece of spin, which was heavily undermined by the fact that a motorcycle courier was dispatched that very evening with the date of the operation.

Dr. Harris: The right hon. Lady is making an important point about the distortion of clinical priorities produced by the political need to bring down waiting lists rather than waiting times, and the underfunding of operations on an average cost basis. I join her in condemning that practice, but she must be careful not to fall into a similar trap with regard to basal cell carcinomas of the skin, for which a waiting time of four months might be appropriate to enable more urgent operations to be carried out. It is wrong to politicise any individual condition, particularly for people who may be waiting for treatment for such a cancer, which does not need urgent excision.

Miss Widdecombe: Then the Government should not make rash promises about a maximum waiting time of a fortnight. If that case is to be made, the hon. Gentleman should make it to the Government and convince them. Then we would not have such rash promises.

The Government have made a pledge, which they are distorting clinical priorities to deliver and they have made another pledge that they are coming nowhere near meeting. If the Government said, with humility, that that is because the problems of the NHS are not susceptible

merely to political solutions but are deep because demand and supply are so badly out of kilter, we might then have a rational and grown-up debate on the NHS instead of always having to deal with the Government's political priorities.

The right hon. Gentleman has challenged me to let him know of any fiddles that are going on so that he can sort them out. He has just said so. There is one, so I shall ask him to do something about it right away. It beggars belief that the Government try to claim credit for spurious waiting list falls and refuse to acknowledge the slightest shred of responsibility for the most blatant fiddles, even when those fiddles are the direct result of the climate of fear that the right hon. Gentleman has created in his panic to meet his so-called early pledge. We have found two further fiddles.

The Withington hospital in Manchester has a two-year waiting list for appointments with an orthopaedic consultant. I cannot believe that the right hon. Gentleman knew nothing of this, because he has been inaccurately boasting that he had eliminated two-year waiting lists. To get round this inconvenient fact, some patients have been palmed off on to physiotherapy practitioners, thus eliminating them altogether from the waiting list statistics. Again, we have documentary evidence.

Will the right hon. Gentleman assure the House that no patients are being kept off waiting lists by hospitals refusing for months to give a firm date for an operation, and then placed on the official statistics at the last moment by offering the patient a date and carrying out the operation super quickly? I should be surprised if he can give that assurance, because, apparently, that is happening in Macclesfield and in Altrincham. Again, I have some documentary evidence. It is not good enough for the Secretary of State to come to the House and, whenever we rumble one of his little fiddles, to say that he will make sure that it does not happen again. *[Interruption.]*

Miss Widdecombe: The right hon. Gentleman has just said honestly that he cannot claim to make sure that that does not happen again. We note that.

Mr. Andy King: The right hon. Lady is a control freak.

Miss Widdecombe: Not a control freak. Oh dear, oh dear. If the hon. Gentleman asks the BMA, the nurses, those who will be rationed by NICE and those who may no longer exercise clinical judgment, the words "control freak" would be the first that they would apply to the Government.

For some time we and the BMA have been calling for a new system of waiting times for particular disease groups, instead of the crude, politicised system of waiting lists. I agree that it is not politically appealing, but it is at least practical and it is the system that measures what matters most to patients—whether they have been waiting for more than the appropriate time. If the right hon. Gentleman decides to go for that system, I will not tease him about how he has abandoned his pledge or his central political boast. I will welcome what he has done and support it. The Opposition will say, "Well done", but I do not somehow think that we will be able to do that.

May we at least have an assurance that the right hon. Gentleman will investigate ways of moving towards that common-sense approach and away from the discredited, crude and fiddled waiting lists that are now posing some danger to patient care? I do not think that he will give that assurance, because his priority is not patient care but political control. It is evident in their scandal of broken pledges and patients on trolleys; in their hidden rationing agenda of NICE and CHIMP; in their refusal to take responsibility, despite taking unprecedented control over clinical judgment and health service planning; in clinical priorities that are being distorted by their waiting list obsession; and in taking choice away from patients and family doctors. As services suffer, patients suffer, waiting lists are fiddled and GPs are dragooned into collectives, this Queen's Speech sets out a blueprint for a centralised, bureaucratic health service set to undergo an unprecedented, deeply unwanted upheaval, where Ministers have all the power and none of the responsibility and where it is all about political control, not patient care.

Will the Government finally admit that they have failed abysmally on the NHS? Will they admit that the reason for that failure is that for two decades the Labour party deceived the British electorate into imagining that there was some magic wand to wave and that it would be a Labour Government who would wave it? Tell that to the patients who have been waiting for more than 12 months, to those who have found waiting times increased under this Government and to the doctors who are about to lose the power to exercise their judgment on behalf of their patients. Tell that to all those who will find yet another huge bureaucratic upheaval in the NHS. Tell it to the patients lying on trolleys and to all the people who write to me saying that the Government have broken pledge after pledge. *[Interruption.]* They laugh. The Government find patients on trolleys funny. The man who cracked a cruel joke about Alzheimer's thinks that patients lying on trolleys are funny. Let the nation see them laugh. They will not be laughing when they are called to account for what they have done.

4.25 pm

Mr. Terry Rooney (Bradford, North): I am inclined to say, "Now for something completely different." I rise principally to speak on social security but I must say a few words about health, especially after that performance.

Having never had to suffer a night in hospital, and having been a rare visitor to my general practitioner, my knowledge of the health service is limited to the experiences of my family and constituents. My constituents are delighted with the changes that they have seen in the past 18 months. Doctors in the Bradford health authority area willingly and rapidly agreed four primary care groups. The only time that there was a point at issue was when some were asked to cross the boundary into Leeds and there was danger of a revolution, as I am sure my right hon. Friend the Secretary of State understands.

Since the general election, Bradford health authority has received an additional £43 million, of which £34 million is over and above what was in the plans of the previous Administration. I pay tribute to the Minister of State, my right hon. Friend the Member for Darlington (Mr. Milburn), for his wisdom in selecting Bradford as one of the first health action zones. He knows that much of the bid was based on collaboration between the health authority and the social services department, which is about the best in the country. That is undoubtedly the way

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forward and it is bringing new thinking into the provision of not only health care but health prevention, which must be the focus for the future.

I must toss in a cautionary note. Under Bradford health authority, there are still two hospital trusts and two community health trusts, with four chief executives, four boards, four finance directors, four personnel directors and all the rest. The sooner they come together, the better.

Finally on health, my right hon. Friend the Secretary of State knows about the advice, which I regard as nonsense, of the Medical Defence Union to its members never to say sorry. It is time that that advice was challenged for the rubbish that it is. Far too many cases finish in litigation because someone early on, when something has gone wrong—as things always will—refuses to say sorry because their insurance company has told them not to do so. I have had three cases that finished up in unnecessary litigation. Money disappears out of the health service as a result.

I am pleased by the commitment to the continuation of welfare reform announced in the Queen's Speech. The reform is based on clearly defined and public principles: that all those who can work, should; that there is security for those who cannot; that the state has a responsibility to help people into work, which we are doing through the new deal, education and the national child care strategy; and that work should pay. The minimum wage and the working families tax credit are helping those on the lowest incomes.

Under this Government, reform is based on those principles, which are maintained throughout, and not on requests from the Treasury. The previous Government doubled the social security budget but poverty increased dramatically. When they left office, 2.3 million children were in families dependent on income support for their sole income, and 1 million pensioners were entitled to income support but did not claim it. Take-up rates where nowhere near what they should have been. For income support, the take-up rate was only 79 per cent. and for family credit only 70 per cent. I am pleased that the Government have started pilot schemes to ensure that those 1 million pensioners claim the benefit to which they are entitled, and to discover the reasons why they have not done so and deal with them. Pensioners are a group who, perhaps more than any other, deserve an adequate income.

The working families tax credit is welcome because, unlike family credit, take-up will be automatic. The recent announcement by my right hon. Friend the Secretary of State for Social Security about the single gateway represents a magnificent and massive step forward, for two reasons: first, only those who are entitled to benefits will get them; and secondly, those who are entitled will get what they are entitled to get. Sadly, all too often that is not the case at present.

The Government are already putting their reforms into practice. Pensioners are being given £2.5 billion through the minimum pension guarantee and winter fuel payments. There has been a record increase in child benefit; the disability income guarantee has come on stream; and mobility payments for three and four-year-olds have been introduced for the first time—what a tragedy that it took 20 years to do that.

Reform of the ridiculous and discredited all-work test has been proposed. What a testament to the previous Government that is: one is either fit for work, in which case one is kicked down to the job centre to sign on and start looking for a job, or one is unfit for work; there is nothing in between. That is nonsense. On that basis, no one should ever claim incapacity benefit, because there is always one day in the week when one feels able to do something. A system that judges people to be either fit or unfit for work, with nothing in between, is a joke.

I welcome the extension to one year of the period in which people who are in receipt of incapacity benefit can try work and see whether they are fit for it, without fear of losing their entitlement. The most recent statement on widows and widowers is welcome, because for the first time all people—male and female—in that sad position will be treated in the same way. In addition, we shall be supporting people, especially those with children, in their time of need.

Two areas of welfare epitomise the difference between the Labour Government and the previous Administration—disability living allowance and the Child Support Agency. We had the nonsense of 40 per cent. of all lifetime awards of the care allowance element of DLA being on the lowest rate. If one is in such a condition that one needs an award for life, it is nonsensical to be given only the minimum rate. Logically, a lifetime award should be at the higher rate. In addition, far too many DLA claims—about 50 per cent. of the total—were awarded without any medical evidence being produced to support them.

We need to ensure that those who are entitled to DLA receive it, but, because of the lax manner in which the system was set up and the lack of training given to staff, far too many awards are incorrect. However, the benefit integrity project has been a disaster and I am delighted that my right hon. Friend the Secretary of State is to abolish it and introduce a reasonable, fair and sensible means of assessment. We need to move forward.

The Child Support Agency has been heavily criticised and much debated in the House. Seven years after its inception, and despite three major pieces of legislation, only one in eight parents with care get the full maintenance to which they are entitled. What a testament to the previous Government. The principal problem with the CSA is that, right from the start, it was not child focused. It was not about the family, it was about the need of the Treasury. That was the driving force from day one, which is why it has become such a mess.

The proposals in the Green Paper published earlier this year have been the subject of wide consultation and I believe that the principles have been widely accepted. The consultation was genuine and many of the comments received have been taken on board. When the legislation is published, we shall see the benefits of that consultation and of the Government having taken advice from a wide range of sources, instead of presuming that they know best. The system we propose will give genuine support to families and it will be fair, transparent and simple. People will understand, accept and respect the new child support system. We are developing an active modern service for claimants to replace the dead hand of bureaucracy. The linkage with the Employment Service in assistance schemes to get people into work is of real benefit.

Tremendous economic benefits are associated with being in work. The roots of prosperity will always be through work and never through the benefits system. However, it is important that proper conditions of work are maintained. I welcome particularly the Government's fairness at work proposals that we expect to see translated into legislation—especially those such as parental leave, which will affect families. The Government's extension of the maternity leave qualification, which has changed from two years to one year, will affect some 1.5 million women. The change in statutory maternity leave from 14 to 18 weeks will benefit 2.3 million women.

Those in work will have a better standard of living in the future through the introduction of the minimum wage. The working time directive—which has been much derided by the Opposition—will benefit families. It is a fact that, in the 1990s, it is still acceptable for people to work 60, 70 and 80 hours a week. How is that consistent with a family friendly employment policy? It is not.

The welfare reform programme, although good in itself, cannot be viewed in isolation. It must be linked to other social programmes if it is to bring combined benefits. We must address poverty and injustice and make work pay. We must remove barriers to work and ensure decent terms and conditions at work. We need a modern, active social security system that provides help to those in need when they need it and dispenses with the bureaucracy of the past. We must recognise that people can better themselves through work and provide employment opportunities to those who need them.

We have addressed the poverty of income, but we must address also the poverty of expectation. I am sure that all hon. Members will identify with the situation in my constituency where there are boys and girls of six, seven or eight whose older brothers and sisters, mothers and fathers, grandparents and aunts and uncles are out of work. Those children go on to become truants and disruptive pupils because they see no point in education when they will not be able to get a job when they leave school. We must eliminate the poverty of expectation and give that generation the hope and the opportunities that, sadly, too many of their parents and grandparents were denied. They were abandoned by the previous Government. The knock-on effects in terms of health and education are enormous and there are great bounties to be reaped.

My right hon. Friend spoke eloquently about the effect of poverty on health, and a similar argument applies to education. We must take a wide-ranging look at those issues. I look forward to the forthcoming pensions Green Paper. Nobody wants to see the present situation repeated in the future. Too many people are approaching old age with insufficient incomes. We need a permanent, and I believe compulsory, second-tier pension system. We have had compulsory second-tier pensions in the form of the state earnings-related pension scheme since 1975, and we must translate that into stakeholder pensions so that future generations do not suffer income poverty.

In conclusion, I congratulate my right hon. Friend on his work so far. I look forward to the publication of the legislation mentioned in the Queen's Speech and hope that further measures will be taken. More power to his elbow.

4.39 pm

Mr. Michael Heseltine (Henley): When reading through the Gracious Speech and the speeches of the Prime Minister and the Leader of the Opposition, the single overwhelming conclusion one draws is the stark contrast between the reality of the Government's actions and the rhetoric in which they clothe those actions. The Gracious Speech contains much high-flown talk about enhanced competitiveness and an effective economy, but it also contains many measures to move the economy in precisely the opposite direction.

A naivety seems to flow from the Prime Minister's rather breathless approach. He thinks that, if he says something, it will happen. Anyone who is a connoisseur of such matters should read *Hansard*, in which he talks about

"making this country No. 1 in . . . electronic commerce".—[*Official Report*, 24 November 1998; Vol. 321, c. 36.]

Anyone who has any idea about what is happening in the world will understand that, in electronic commerce, the Americans are light years ahead of anything that is happening yet in this country. The world has shrunk in recent decades. It is ludicrous to pretend to the House that introducing legislation on electronic commerce will enable us to close the gap between this country and north America.

Perhaps even more naive is the hostility with which the Government approach the previous Government's record. Britain has a position of strength in electronic publishing relative to parts of Europe, but that is because, in the 1980s, we made all the difficult decisions to privatise and deregulate, all of which were ruthlessly opposed by the Labour party. We know exactly where the heart of the Government lies—in yesterday's ideas and yesterday's solutions. Although they understand that most of those are out of date, unfashionable and unpopular, they are edging back, in their legislative proposals, to the practices, assumptions and policies that failed the country so dismally in the past.

Today's debate centres on the health service. I listened with great care to the opening speeches. Two fundamental weaknesses emerged in the case advanced by the Government. The first was brilliantly exposed by my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe), when she made the point that, to reduce waiting lists, the Government are dealing with the easy cases. Of course that is desirable, and I have no complaint about it, but if, in the broad spectrum of health care, a mercifully small number of cases are relatively serious and a huge number can be coped with quickly, the easy, cheap way to get the plaudits of the crowd is to deal first with the easier cases.

When my right hon. Friend made that point, there was no flicker of recognition by the Secretary of State that she had stumbled on the essence of what he is doing, which is to preside over a rise in the number of more serious cases. The heart of my right hon. Friend's case is that the Government are in the business of levelling down. They are pandering to numeracy and the case that is being argued about statistics, but they ought to be preoccupied with the quality of the service.

My right hon. Friend made an important point that contradicted the Secretary of State's case, which was that the Government have talked to doctors, and, of course, many are hostile to what they are doing, but—he used a

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quotation—they have decided to co-operate. Doctors will always co-operate. They are passionate in the pursuit of health and the interests of their patients. They will not let anyone down, whoever are the Government of the day.

Under the system of fundholding introduced by the previous Government, we tried to put doctors into a position of power as close to decision-making as possible, so that they could judge their patients' best interests. That was not popular with the great baronies of power—the vested interests of the unions and bureaucracies. We all know that they never want front-line people to be given the power to exercise individual discretion.

The Secretary of State's case was that doctors did not need to worry, because the Government will set up primary care committees, and doctors can elect the majority of their members and even be the chairman. If I were a doctor, I would shudder at that prospect. What does it mean? Doctors will have to become involved in the politics of the health service. Instead of dealing with their patients in their practice, they will have to go to committee meetings, stand for election and sit on the committee with people from different pressure groups, which all have a political agenda. That is enormously time-consuming. If one has the stomach for it, one may prevail, but the vast majority of doctors did not go into the medical profession to become politicians.

Having regard to some of the politicians who have done so well on the left of politics as experts in the manipulation of committees, I do not blame doctors for not wanting to spend their valuable time trying to advance the interests of their profession by the bureaucratic process of negotiating their way through a labyrinth of committees.

In any human activity, including medicine, one has to make difficult decisions. It is essential that we trust people to experiment, make decisions, explore alternatives and exercise initiative. That was happening under the fundholding arrangements, which is why doctors were voluntarily adopting them. That flexibility will now be replaced by a centralist system that will gradually impose the will of the Department of Health on the medical profession. That will not succeed. It will lead to trouble. Ministers will get into an appalling mess when things go wrong, and they will be hauled to the Dispatch Box to account for a myriad of errors that are not their immediate, personal responsibility, but, the politics of the system being what it is, they will be in the firing line.

The vast majority of people think that the health service is a fantastic achievement. They thought so under the previous Government; they think so under this Government; and they will go on doing so, but the Secretary of State's proposals will politicise the service.

As the Secretary of State knows, I have to explain to my constituents why a hospital will be closed. No hospitals in my constituency were closed when the Conservatives were in power. *[Interruption.]* No, they were not. The Secretary of State has generously agreed to receive a delegation of my constituents so that they can listen to a Labour Minister explaining why this munificent Government, with all their extra money, are threatening to close a hospital.

Miss Widdecombe: One of many.

Mr. Heseltine: One of many, as my right hon. Friend says. She was generous enough not to make that point at great length in her opening speech, but I suspect that my colleagues will want to make it.

Mr. Dobson: The right hon. Gentleman brought a delegation to see me. I have agreed to receive other Conservative Members who represent parts of Oxfordshire. They will tell me that they want to keep their hospitals open, and that the right hon. Gentleman's hospital should close.

Mr. Heseltine: As the right hon. Gentleman has spent his life trying to explain the conflict about priorities in the health service, he should not be surprised about that. That is the legitimate responsibility of a Member of Parliament. He should be concerned by the fact that I am not the only hon. Member from Oxfordshire who has made a representation about a proposed hospital closure—my colleagues also face hospital closures. Why did the Secretary of State read out a long list of new hospitals that will be constructed, but make no reference to the fact that hospitals in Oxfordshire are threatened with closure? I find that extraordinary, when so much extra money is apparently available.

Miss Widdecombe: Is my right hon. Friend not also surprised that that should be happening when, before the general election, the then shadow Secretary of State for Health said that the Labour party had no plans for a programme of hospital closures?

Mr. Heseltine: No, I am not a bit surprised. That is exactly what I would have expected of the then Labour Opposition. They said anything to con the people into believing that they had miracle solutions. Having got into government, they have had to face up to reality, which for my constituents means facing hospital closure.

Dr. Harris: Will the right hon. Gentleman give way?

Mr. Heseltine: No, I shall not.

The wider issue is not merely one of trying to stifle individual initiative in the health service and remove competitiveness—those themes run through the Gracious Speech. There will be trade union reform. The Government use charming words about a new partnership between managers and employees. If one genuinely wants higher-quality industrial relations, one must create such partnerships. That is the aim of Investors in People, an excellent programme that the Government support. The one way to bring it juddering to a stop is to bring the unions back into the process. Once the unions are in charge, there is another career pattern and another range of motives—and all of us know exactly what happened when they were involved in the process before.

The union leader wants to enhance his own reputation. Where he can, he wants to create the impression that he is fighting for the lads and lasses in the factories, but, before long, there are tensions between managers and union representatives. Discussions take place behind closed doors; the union representatives leak what was said, to the disadvantage of management; the process festers, and the situation deteriorates. The union leader then becomes part of a national chain. People want to climb the union ladder. To do so, they have to be seen to

be fighting local battles. The more battles they can fight and the more rows they can create, the more they attract the activists in the union chain who can promote them to national leadership.

There is thus an agenda quite different from that of the company whose interests the representatives were first elected to serve. That process has gone from this country. We have excellent industrial relations and increasing productivity, and we are more competitive than ever before, but what is to happen now? The unions are to get their privileges back. It is a retrograde step, which will prejudice our recovery and our progress towards increased competitiveness.

The story is the same in local government. We are told that we are to have more modern local government. There is a great case for that, and I am the first to say it. We cannot get councillors of the calibre we need. No party finds it easy to recruit men or women of the calibre required to command the scale of resources involved in local government. Councillors do not have the experience necessary to challenge the bureaucracies on which they have been elected to serve.

One would have hoped that the Government would tackle the problem. I have no doubt that we must move towards the introduction of directly elected chief executives who are paid an income corresponding to the level of their responsibilities. That should be done as a matter of urgency. It would create a far greater sense of local accountability. The Government are committed to the experiment, but does it appear in the Gracious Speech? No, and why not? It does not appear because it is a complicated idea. Instead, we understand that compulsory competitive tendering is to be ended. The challenge of balancing services and their value and cost is to be removed from the marketplace, and CCT is to be replaced by what is known as best value.

Best value is another classic example of this Government's public relations skills. Who can possibly be against best value, but how does one decide what it is? Who decides? One has only to ask that question in the Government's presence to know exactly who is going to decide. The people who are administering the systems will decide, and will do so in cahoots with the unions and the direct labour organisations.

That is transparent, but what will the consequence be? The consequence will be a monopolistic regime from which the chill of private sector competition is eliminated, under which costs go up, restrictive practices are tolerated, and the abuse of the democratic process, characteristic of Labour's long-held monopoly over local government, is perpetuated.

The Government talk about raising standards in education. I go along with that. The quick and easy way to do it is to start sacking some head teachers in Labour authorities where the standards are unacceptable. How many head teachers have been removed since the Government came to power? Why have the Government not done anything? They have the power, and they tell us that they want higher standards. They have been in office 18 months, so what is holding them back? It is the rhetoric of a broad, happy, smiling body of people running the country in everyone's interest that prevents them from challenging the vested interests of the power groups on which so much of their political support depends.

If anyone is looking for the worst housing conditions in the country, I can tell him where to find them.

Mr. Patrick Hall (Bedford) *rose—*

Mr. Heseltine: The hon. Gentleman probably represents some of those very places. The worst housing conditions are to be found in the urban constituencies that have been represented for the longest time, at municipal and national level, by Labour politicians. The conditions in which many people live in public sector housing are scandalous, and the worst scandals are to be found where the Labour party is in charge. How can one begin to argue that that situation should be tolerated under a system called best value? It has nothing to do with "value" and nothing to do with "best"; it is simply about paying off the unions for the support they gave the Labour party in the general election.

Mr. Hall *rose—*

Dr. Alan Whitehead (Southampton, Test) *rose—*

Mr. Heseltine: The hon. Gentlemen should relax. I listened to the Secretary of State for a long time, so I hope that hon. Members will be kind enough to listen to what I have to say.

The situation is even worse, because the problem does not end with the elimination of the competitive challenge in local government. We are now to have a whole new tier of local government. There are menaces inherent in that. To begin with, it is a menace in itself.

We all know about Labour's desperate position in Scotland. Labour has decided that the only way to deal with its problems there is to pander to Scottish nationalism by pretending that devolution will change something. Once there is devolution in Scotland, there has to be devolution in Wales, although the Welsh do not want it. Then we have to think about what to do in England, and we now have a ludicrous scheme for a mayor in London and, before we know where we are, we are witnessing the regionalisation of England.

The first step is to get rid of English Partnerships, which is an extremely effective weapon to bring about the regeneration of stress areas. No one is keener on that than I or the Government in which I served. English Partnerships is being broken up into regional development agencies. I know exactly what will happen. The advice given to the Secretary of State will be clear. He will be told that strategic thinking is needed—along with academics and unionists, this, that and the other—to create a plan.

By the time the Government seek re-election, the regional development agencies will have been set up, a fortune will have been spent on consultants, many urgent decisions will have been delayed, and a plan will have been produced. The moment a plan has been produced, there will be an election, and whoever becomes Secretary of State will say that he does not like the plan, and wants to have another look at it.

The essence of urban regeneration and regional renewal is site-led. One has to have local projects and policies to deal with specific problems. It is not about a concept for the north-west of England, for example. There is no such thing as the north-west of England, as is clear to anyone

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who lives there or knows that part of the country. Manchester does not get on with Liverpool; Preston is a long way north—

Mr. Nicholas Winterton (Macclesfield): Don't forget Macclesfield.

Mr. Heseltine: Macclesfield leads the bunch.

The way to rejuvenate such areas is to have a macro-economic policy for growth and stability, and then to stimulate local communities. That is why I believe in directly elected chief executives. However, we are to have these great bureaucracies inserted between national Government and existing local government. That means more delay and more cost.

My final point is a chilling one. I am a European. I believe that this country's best interest is served by our playing a leading role in the European Community as it is now emerging. I have believed that for 40 years, and I believe it today as profoundly as ever. We have to fight within Europe for the United Kingdom. However, there is another European agenda, which is a federalist one. It wants to bypass the nation state.

Federalists want to bypass the nation state because they realise that, if they can regionalise Europe, they can exercise a much more pervasive influence from Brussels and through the European Parliament than they will ever be able to do if the nation states are the building blocks of Europe. What the Government are doing—I doubt whether they have even thought that this is what they are doing—is creating a blueprint that brings this country into line with a potentially regionally governed Europe.

It is as sure as night follows day that the Labour party will lose to the nationalists in Scotland. The nationalists will go to Brussels, and Brussels will pay them, as it pays the Irish, to bring about an artificial, short-term prosperity in that country. That is what will happen. The Welsh will say, "If it is good enough for Scotland, why isn't it good enough for us?"

By that time, people in the north-west, the north-east and the south-west will be saying, "What about these lousy regional development agencies? They have no teeth. They are just talking shops dominated by the Treasury in London. We need directly elected regional assemblies, and then we'll be able to go to Brussels, like the Scots and the Welsh, in order to try to get our handout." This place will become increasingly unimportant, as the power is shifted, with the money, towards a regional process in Europe.

Many other European countries are already ideally suited to such a concept. The German lander are a very obvious example, as are the great departments of France. Italy, as a state, was put together only just over 100 years ago. One can see how that concept of Europe is fed by what the Government—wittingly or unwittingly—are doing in breaking up the United Kingdom's coherence.

I see this Government as very much the successor of the Attlee Government of 1945—a Government of big ideas, who nationalised the Bank of England, introduced punitive taxation and nationalised the commanding heights of the economy. It took us 50 years to get rid of those ideas and to restore prosperity to the British people. This Government are on a different journey, but the consequences could be as bad.

5.1 pm

Ms Bridget Prentice (Lewisham, East): I welcome the remarks of my right hon. Friend the Secretary of State for Health, particularly on raising standards in the health service, which, sadly, have been eroded over the past 18 years. In his absence, I should like to make a plea to him through my right hon. Friend the Secretary of State for Social Security. If we must listen to the right hon. Member for Maidstone and The Weald (Miss Widdecombe) speak at such a decibel level, will he guarantee hearing tests for us all afterwards to check whether we have gone deaf?

The theme of the speech of my right hon. Friend the Secretary of State for Health was modernisation, not just in the health service but throughout areas in which the Government are trying to make changes. I want especially to address another area in which we can help to create a healthy society: youth justice. If my right hon. and hon. Friends will bear with me, I shall speak on that aspect of the Queen's Speech, despite the theme of today's debate.

I say in passing to the right hon. Member for Henley (Mr. Heseltine) that he clearly does not understand what best value is about. Labour local authorities are quite prepared to ensure that their communities receive the best service, regardless of where it comes from. If he wants to see that in practice, he is welcome to visit my authority of Lewisham.

Two years ago, there was a serious problem with young people causing mayhem in Downham, a part of my constituency. The local police, the council, teachers, community workers and youth workers got together to consider ways in which they could try to solve the problem. A few months before the election, my right hon. Friend the present Home Secretary visited Downham, with me, to see what was being done, and was told that, despite being very proactive, the police were constrained by the length of time that it took to get young people through the courts. I therefore particularly welcome the part of the Gracious Speech that refers to modernising the youth justice system.

Not only do court delays affect the young person who is charged: they have a detrimental effect on the victims, and create frustration and pessimism throughout the community. At the moment, a court can do very little—in fact, nothing—to guarantee the attendance of boys and girls between the ages of 10 and 16. If they fail to attend, the first sanction at the disposal of the court is remanding into local authority accommodation. If they fail to attend a second time, their files are marked "No appearance", and a warrant is issued. The defendant must then be arrested, and the process repeated. In other words, bureaucracy moves very slowly. The young person has the opportunity to commit further crimes, and the local community suffers as a result. The only other option would be for the local authority to apply for a secure accommodation order, although, as we know, they are very few and far between and costly. Local authorities are therefore reluctant to do so.

I encourage my right hon. Friend the Home Secretary in his Bill on youth justice either to instigate further, better and stricter bail conditions for young people that youth magistrates are able to implement quickly, so that young people who break such conditions are brought back to court much faster, or to implement section 60 of the Criminal Justice Act 1991, which has not yet been brought into force, but which provides the courts with

directed, secure remands. As a result, young people who continue to fail to attend court or to comply with set conditions can be prevented from committing further crimes, to the great benefit of the courts, the agencies that support communities, and the witnesses, all of whom are concerned to bring about a much speedier conclusion.

Will my right hon. Friend the Secretary of State for Social Security pass on my concerns about the youth justice system? I welcome the fact that it is to be modernised, although we must ensure in the Bill that, when a young person is arrested, it does not take six months or longer before he is brought to court. By imposing more stringent bail conditions or bringing into use section 60 of the 1991 Act, we can ensure both that the young person does not end up with many offences to be taken into consideration and that witnesses and victims see the matter being dealt with quickly.

The work on the Downham estate, where the community has worked together and youth workers especially have acted as a preventative team, targeting young people who they believe are likely to commit offences and working with them, has made life much better. It is important to underline that youth workers do not take the view that they should not make value judgments of the young people with whom they deal. In fact, that is their raison d'etre. We must consider such matters in the youth justice Bill, so that young people are dealt with quickly and effectively, the courts have the strength and power to implement proposals, and communities benefit.

5.8 pm

Mr. Simon Hughes (Southwark, North and Bermondsey): I should like to take up two of the comments of the hon. Member for Lewisham, East (Ms Prentice), who is a near parliamentary neighbour. I support her plea for speedy youth justice, and I hope that it is heeded. I, like her, have some experience of the failure of the system. Young people understand far more if they are dealt with quickly. I disagree profoundly, however, with her motto, "Come to Labour authorities to see good value". Lewisham may be wonderful, but if Southwark were ever held up as a model local authority, many in this Chamber would be hugely surprised. Sadly, in many respects, Southwark is not yet a good Labour authority—or a good authority at all. The sooner that we have good quality services in Southwark, the sooner that my constituents will be happy.

When William Beveridge produced his report in 1942, he made it clear that a national health service was the precondition of a good welfare state. It is therefore appropriate that this debate links welfare and the health service—and logical that we debate health first and welfare later. I am sad to note that no health Minister is currently present, although the Secretary of State for Social Security is here.

Today is Thanksgiving day in the United States. We all give thanks for our good health, and hon. Members have often joined hands in giving thanks for the national health service. As the 50th anniversary year nears its close, we give thanks as loudly as ever. Let me say to the Secretary of State for Health—although he is not present—that none of us intend to criticise those in the health service who are trying to do a very good job.

The Minister for Public Health has just arrived. May I ask her to convey some information to the Secretary of State? On one occasion during the past year and a half, I have misrepresented someone's position. Two weeks ago, we had an exchange about South Devon healthcare trust. The trust used the phrase "pending lists" rather than referring to waiting lists, and I suggested that people on pending lists were not included in waiting-list figures. I was corrected, and I apologise to the trust and those who work for it. I say, unreservedly, that we should always give accurate information, and if we make mistakes we should admit to them.

I hope, however, that, as a consequence of our debates about waiting lists and waiting times, a common form of wording will be introduced. I also hope that a common system will be introduced for the publication of figures relating to out-patient and in-patient waiting times, so that the statistics are objectively valid and can be checked and there is no massaging of statistics, either by Government or by those trying to criticise Government. A senior member of the staff of the King's Fund called for such a system only earlier this week.

Today's debate coincides with the launch of the Acheson report, whose commissioning by the Government we welcomed. Like the Black report before it, it sets out a range of measures—thirty-nine steps—to reduce health inequality and improve public health. It is important for the nations of the United Kingdom to understand that, even with the best health service in the world, the sickness service—for that is what the NHS is—will be of relative rather than better worth unless we improve public health.

I applaud the appointment of a Minister for Public Health, and, like the current Minister, I want us to have a public health service that is as effective and integrated as possible. I shall make a couple of positive observations first, and then issue a couple of promptings that will be constructively critical of the position that the Government have reached over their first 18 months in office.

We all remember the section of the Labour manifesto entitled "We will save the NHS", in which the Labour party made a welcome commitment. It stated:

> "Smoking is the greatest single cause of preventable illness and premature death in the UK. We will therefore ban tobacco advertising."

Sadly, there was a blip—a glitch, or hiatus—last year. Regrettably, unless the Government bring the date forward, the manifesto commitment will not be fully implemented until 2006, which, especially in the light of the Acheson report, may be far too late. I hope that tobacco advertising will be banned much earlier than that.

The manifesto made another commitment in the next sentence: to

> "establish an independent food standards agency."

Many people, not just politicians, regret the absence of a measure for that purpose in the Queen's Speech. The public regularly express strong views about the need for better food standards.

It is a case of "not yet" for the banning of tobacco advertising, and for the food standards agency; and, sadly, there are to be free eye tests—but not dental checks—but not for all. Both used to be available to all, but the Tories abolished that, and the Labour Government are reintroducing free eye tests only for pensioners. That is a shortfall, and I hope that the Government will think again.

As my hon. Friend the Member for Newbury (Mr. Rendel) pointed out in an intervention—I hope that he will catch your eye later, Mr. Deputy Speaker—less help

[Mr. Simon Hughes]

will be given to widows and disabled people. It was announced in the Queen's Speech that their benefits would be cut. We shall have further debates about that, but it clearly will not help to reduce inequality for those in these categories concerned.

The commitment to reduce inequality also contains no commitment to redistribute wealth, which means taking from the well-off as well as giving to the less well off. The Government have policies to improve the conditions and wealth of the less well off, but they have resolutely set their face against collecting more from the better-off. Some of us believe—and our party voted to this effect at its conference—that there should be redistribution of wealth as well as an increase in the wealth of those at the bottom of the league.

These are important issues. I am glad that the debate has begun again, 20 years after the Black report. I hope also that the Minister will persuade her colleagues that we should debate public health and inequalities in health, on the basis of Sir Donald Acheson's excellent recommendations, in Government time and relatively soon, after we have all had time to read the report.

I want to raise a couple of other matters that do not relate to the NHS Bill. I know that the Minister, like me, is committed to ensuring that our efforts and resources are directed as much towards mental as towards physical health. I look forward greatly to the Government's announcement about its mental health policy. My health authority, Lambeth, Southwark and Lewisham—the largest in the country in terms of population—gave me its figures this morning. In a population of about 750,000, 100,000 people suffer from mental illness—roughly one in seven. That is not unusual in urban areas, and, indeed, other parts of the country.

In terms of mental health, a person may be fine one year, but not the next. It might be us one day, and someone else the following day. People need to know that resources, support and, where appropriate, drugs that they may need are considered a priority by the Government. I am not saying that the Government do not understand that, but we must continue to remind each other that our duty to those with mental illness is as great as our duty to those with physical illness.

Let me now raise a matter that is also in the domain of the Minister for Public Health. It is appropriate that it should be raised this week. There is still a battle to be waged against HIV and AIDS. We have been waging that battle, but we have not won it. The Terrence Higgins trust has told the Minister, who responded in a recent interview, that although the prevalence of HIV in this country is relatively low—22,000 cases—there are still 2,500 new diagnoses each year. Of those cases, about 1,500 are men—often gay men—and young people form a high proportion.

We must spare no effort. Perhaps there is some complacency because, owing to vaccines and therapies, people with HIV do not necessarily look as though they will automatically die of AIDS. Unless we continue the attack with publicity, information and education, as well as funds—an attack that may have to be very hard-hitting—we may not be able to win the battle. I hope that winning it will remain a high priority, and that we realise that such action is our duty in this country as much as in other parts of the world.

Two Bills were proposed in the Queen's Speech, the NHS Bill and a supplementary Bill relating to charges. I believe that services and staff in the NHS are more important to people outside than structures. The Government say that they will abolish the two-tier NHS. Under the Tories, people were given either fast or slow treatment, depending on who their GPs were. That practice is to be abolished, which we welcome; but in some areas there will be a three-tier NHS caused by rationing. There will be some treatment for some people, and private treatment, or no treatment, for others. The Government have yet to grasp that nettle.

The Government say that they will abolish the internal market. They must be careful, because that is not actually true. The purchaser-provider split will remain—we accept and support that—but the internal market will also remain: reduced, yes, remaining yes, and abolished, no. Let me give an example. If a primary care group is able to choose where to send its patient, there is choice and therefore, to an extent, a market. What will happen to what were called extra-contractual referrals? I understand that they are not being abolished, but are merely being renamed. Let us not delude people into believing that the system has been completely changed.

The Government say that they will reduce bureaucracy. That may happen, and the Government say that they will maintain their £1 billion cost reduction target; but it is another case of "not yet". According to this week's newspapers, 500 new managers will be appointed under the new proposals. I am not against additional managers but let us not pretend that bureaucracy will be reduced if there are to be more.

The Government talk about established primary care groups. We think that that is a flawed and second-best proposal, which we shall seek to amend and improve. A radical and sensible Government would have merged health and social services authorities, and would have done so under democratic control. A radical and self-confident Government would not have given in to doctor influence over the composition of primary care groups, which delivered them a majority and the chair in every instance. A sensible and democratic Government would not try to rush changes through now. They would have a start date later than next April to enable proper scrutiny of the proposals and the concept embodied in the proposed legislation to ensure that it is up and running properly and not rushed to meet an artificial target.

We are in favour of health improvement plans, but they should be led by democratic local health authorities and social services authorities. That is where the debate can take place.

We support the raising of standards as we support the health improvement commission. It is not as radical a concept as that which we have proposed in the past, when we said that there should be a national inspectorate of health and social care.

We support the idea that it is necessary to deal with people who are not up to the job. However, let us not confuse having a go at people who are not up to the job with having a go at those who are overstretched in trying to do their job because there are not others to help them do the job. The patient needs an NHS contract to know what service, standard and speed he can expect, but there must be the staff to deliver the service and the money to deliver the staff.

We are in favour of reducing inequalities but that means equal access to health care throughout the length and breadth of the United Kingdom. Access cannot be available in one area and not in another. We shall achieve greater equality only if we face the fact that in some areas patients are not receiving treatment at all. There is rationing, as the right hon. Member for Maidstone and The Weald (Miss Widdecombe) said, as there has always been. The sooner that the Government own up to the R word, the more realistic the debate will be.

It may be inappropriate to ban effective but expensive drugs, and we must ensure that everything we do is effective. That has not always happened in the past. Statutory control of drug prices is a large and complicated issue, but our gut reaction would always be to support it. However, the objective should be a reduction of unnecessary drug use in Britain; there should not be drug rationing where drugs are needed. Some people, including those who are mentally ill, often need drugs that at present they do not receive because they are told that they cannot be afforded.

Mr. Nicholas Winterton: Will the hon. Gentleman give way?

Mr. Hughes: I will not give way. I would like to do so but I was told that if my remarks were brief one of my colleagues might be able to catch the eye of the occupant of the Chair later. If I am not brief, that will not be possible.

Reserve powers to increase regulation of the professions are important. We support absolutely the registration of all the professions that are allied to medicine, or waiting to be registered—for example, psychologists, chiropodists and physiotherapists. I hope that Ministers will introduce such proposals in forthcoming legislation so that all the relevant bodies can be registered. If someone sees a plaque on a door bearing the word "Chiropodist", he should be confident that that person is a real chiropodist, not a would-be chiropodist. There are many professions that are disadvantaged by pirates and rogues.

There is a difficult balance to be struck in regulating the professions. The General Medical Council and the United Kingdom Central Council for Nursing, Midwifery and Health Visiting have been making every effort to get it right. I support their efforts. We should examine whether auditing practice can ensure that we deliver the best quality people. The hon. Member for Lewisham, East and I have constituencies that share the same health authority, which has a minority of poor doctors. Getting rid of poor doctors is an almighty difficult job, and that is not acceptable. For every poor doctor there is a much higher risk of mistreatment. We must be willing to introduce reserve powers although that might not happen now.

There is a problem with amending the Road Traffic Act 1988, and that is not because necessary legislation has not been on the statute book. We have had that legislation since the 1930s. What is the logic in levying money from insurance companies where the victim successfully claims compensation after a road accident but not where someone claims after an industrial accident or makes a claim after falling over in his local park or on the pavement, or makes a claim against someone else? We are talking of a charging mechanism, and if we are to consider charging an insurance company or others, we must consider all the circumstances and not some of them. My right hon. and hon. Friends and I will be critical and will scrutinise carefully the charging proposal. We are not yet persuaded.

My colleagues and I have been engaged in a bit of a discussion recently about what collaboration there should be between Liberal Democrats and the Government. For a long time we have put a proposal to the Government, which I hope will be accepted with or without closer collaboration before the close of the 50th anniversary of the NHS. We propose that there should be a standing conference on the national health service, which should be separate from this place and from party politics, where we could debate how we might recruit and retain the staff that we need. That is necessary because we have a staffing crisis. We could debate how we might raise and spend the funds and resources that we need. We have an underlying resource crisis. We could debate also how we might face rationing, because we have a rationing crisis too.

We believe that the three Rs—it is technically four if recruitment and retention are taken separately—are the crucial issues for the health service, as my right hon. Friend the Member for Yeovil (Mr. Ashdown) said the other day. If we can secure the best structures, staffing and quality outcomes for the NHS against the background of best public health, whatever our parties, we shall be serving the patients and the people of Britain best. That is the challenge, and we shall be a constructive opposition for the rest of the Parliament to ensure that the Government do as well as possible to respond to it.

5.26 pm

Mr. Patrick Hall (Bedford): I shall concentrate on the national health service, but I was fascinated by what I thought to be a new policy initiative on education that came from the right hon. Member for Henley (Mr. Heseltine). I think that the right hon. Gentleman said—the record will show whether this is the position—that the best way to improve education would be to sack head teachers.

The Conservatives have a difficulty in debating education, but nothing like the difficulty that they face when it comes to the NHS. We saw that in the performance of the right hon. Member for Maidstone and The Weald (Miss Widdecombe). It struck home to me that it must be a most difficult task for any Conservative to criticise the Government about the NHS. Despite the right hon. Lady's undoubted abilities as a parliamentarian, she failed to offer any real criticism. She did not even attempt to defend the Conservative Government's record. Perhaps that is why she resorted to so much sound and fury rather than concentrating on content.

One of the key ingredients in the Queen's Speech is the Government's continued commitment to the NHS. We have heard especially about a Bill to end the highly divisive and destructive internal market together with general practitioner fundholding. There is evidence from throughout the country that those policies have led to a two-tier health service which has not served the British people well. We have heard that there will be a Bill to replace that division with a system that will enhance collaboration and co-operation and introduce negotiated

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agreements and longer term planning, which is the foundation upon which a decent health service needs to be built.

Mr. Nicholas Winterton: I am grateful to the hon. Gentleman, a Member of the Government's party, for giving way, unlike the Liberal Democrats, who do not find time to give way. I am interested in what the hon. Gentleman is saying about general practitioner fundholding. Clearly, there have been abuses of fundholding, which have caused considerable problems for certain hospitals, where, for no real reason, doctors have referred their patients from many miles away, thus putting departments in district general hospitals in some jeopardy.

Would the hon. Gentleman agree that GP fundholding has brought benefits as well, and that many of the services that have been developed in doctor's surgeries and community health centres have taken the pressure off hospitals? That has been of benefit and people have been able to obtain treatment close to home rather than having to go into their district general hospital.

Mr. Hall: Certainly there have been some initiatives of benefit. The Government want to see a system in place whereby those benefits can be available to all patients, to all people in the United Kingdom and not only those whose GP happens to be a fundholder. The hon. Gentleman talked about some fundholders referring patients to certain hospitals without a good reason. I think that the reason is clear. They realised that by making those referrals they might secure faster treatment for their patients. I do not blame them for trying, but that is not the way to run a comprehensive national health service. Most people agree that we need our hospitals and community services to work together to share new ideas for the benefit of all, and not to be engaged in the useless paper-chase of extra-contractual referrals and annual contracting, which was a key feature of the NHS under the internal market.

Under that system, a good idea developed in one hospital had to be defended in that hospital because if it was shared with other, competing hospitals, that could undermine the contractual position of the original hospital. That is not the way to go forward.

Dr. Harris: I understand what the hon. Gentleman says about ending competition and improving collaboration. That is clear, but could he define what features make up the internal market, as opposed to the two-tier system, and as opposed to competition rather than collaboration, and could he explain what features of the internal market will be abolished by the proposed Bill?

Mr. Hall: It is well understood that the internal market generated an excessive paper-chase and the diversion of resources from front-line patient care into unnecessary bureaucracy. Of course we need management and administration, but that must be directed towards a clear purpose.

On the latter part of the hon. Gentleman's question, we shall have to wait and see what is in the Bill. I do not have the advantage of prescience. With him, I shall examine the Bill to make sure that the objectives that he and I appear to share are delivered. There is no evidence to suggest otherwise. A clear message has come from the Government about what has happened under the internal market, and that system will be changed. *[Interruption.]* I hope that all hon. Members will assist us in trying to achieve that, in the interests of the NHS.

Whatever the Leader of the Opposition may have said on Tuesday and whatever the right hon. Member for Maidstone and The Weald may have said today, no one in my constituency, including those working in the NHS, would defend the system devised by the previous Conservative Government. They do not want to retain that system; they want it changed. There is no public support for continuing with the internal market.

The Conservatives are the last people who should complain about red tape coming before patient care. That was one of the inherent disadvantages of the internal market system. Under the internal market and under the Conservatives' stewardship of the NHS, the health service was almost drowned in red tape.

Miss Widdecombe: If there is no support for our system and so much support for the Government, why does opinion poll after opinion poll show that 68 per cent. of the public believe that the Government are getting it wrong on the NHS?

Mr. Hall: That is an interesting use of statistics. If that is the case, why does opinion poll after opinion poll show support for the Conservative party as low as it has ever been, and show considerable support for Labour in government? Whether Labour is in government or in opposition, poll after poll shows that, with regard to the NHS, the British people trust Labour more than any other party. That has been an unmoving fact for some decades.

I welcome the devolution of power in the NHS to the local level through the establishment of primary care groups. As the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) said, there will of course be a need for the management and administration of primary care groups, but there is a world of difference between investing money to manage those structures effectively, and putting money into the management of the internal market. There is a difference between doing something for a good reason and doing it for a bad reason.

Dr. Peter Brand (Isle of Wight): In his scrutiny of the legislation, will the hon. Gentleman consider another aspect of the internal market, which served patients and is now at risk? I refer to the concept of resources following patients. We have had an assurance that members of primary care groups can still refer patients anywhere in the country—that practice has been enshrined in the NHS since its inception—but we have had no assurances that the trusts to which patients are referred are obliged to accept those referrals. If there are no resources attached to a referral, it is quite likely that the referral will not be accepted. Will the hon. Gentleman help to make sure that there is a mechanism to ensure that patient choice is retained?

Mr. Hall: I will, indeed. One of the principal effects of the greatest ever additional investment in the NHS—the investment of £21 billion over three years—will be to

widen and deepen patient choice and make the NHS work for patients. I am glad that the hon. Gentleman adopts a constructive position on the Government's performance on the NHS.

Primary care groups represent a superb opportunity for greater accountability in the NHS and more openness between the NHS and the British public. The role of lay members on the PCGs is important. The methods of selection must be open and credible. It is crucial that there should be support for that one lay person, or possibly two people, depending on the size of the primary care group. If there is only one lay member in a large body, his or her views may be swamped. The Government must deal with the question of how those people are to be supported.

A mechanism for such support already exists in the form of community health councils, health councils and their equivalent in Northern Ireland. Will my right hon. Friend the Secretary of State consider allowing community health councils, health councils and their equivalent to enjoy observer status on primary care groups, with speaking but not voting rights?

I hope that the confidentiality clauses introduced by trusts under the previous Government in an attempt to gag whistleblowers will be scrapped. It is time for that system to end. Confidentiality clauses are a feature of organisations that are in competition with one another; they have no place in the new, co-operative, open national health service. I hope that my right hon. Friend will consider the matter and act to take the fear out of whistleblowing, so that never again do we experience the ill and the harm that was done in the Bristol babies case—one of a number of examples.

Another welcome aspect of the Queen's Speech in relation to the NHS was the proposed commission for health improvement. Not only will that oversee performance in clinical practice in order to raise standards, but it will enable community health councils and whistleblowers to report suspected problems to that they can be examined in a wider setting.

I warmly welcome the potential offered by health improvement programmes addressing not only clinical matters, but public health issues such as sickness and illness prevention, health promotion, and tackling health inequalities—the exciting agenda raised by the excellent Green Paper on public health, and before that in the Black report which, after months or years of suppression, was eventually published under the previous Government. It argued that education, income and housing are closely intertwined with health.

Those matters can be addressed only by a co-operative partnership across the board—NHS trusts, primary care groups, dentists, opticians, pharmacists, local councils, employers, utilities. The list goes on because health is affected by so many interconnecting forces.

The prospects for the NHS reinforce the universal entitlement to full and free treatment at the point of need for all the people. That is the founding principle of the NHS, and we are now at a point where we see that principle being reinforced and taken forward for the decades ahead.

It was the British people's strong support for that principle which prevented the previous Government from undermining the NHS even more than they did. The Government's support and belief in that principle lies behind the excellent features in the Gracious Speech on the NHS which will help us to build a new NHS to serve the British people in the many years ahead.

5.41 pm

Mr. Michael Fabricant (Lichfield): I do not know whether doctors in Bedford feel the same as doctors in Lichfield, but there is no enthusiasm whatever for primary care groups among general practitioners in Lichfield. I shall quote later from GPs in my constituency who have e-mailed me on that matter in the past 24 hours.

First, I want to address the Queen's Speech. The Prime Minister and the No. 10 Downing street policy unit seem to have difficulty in determining exactly what the third way is—or the "troisième voie", as the Prime Minister put it at the Assemblée Nationale in Paris recently. The third way, or the middle road, as the Prime Minister puts it, sounds suspiciously like the caring capitalism of my right hon. Friend the Member for Henley (Mr. Heseltine). Privatising the Queen's flight, air traffic control and other organisations is following in Margaret Thatcher's footsteps, not Attlee's. While we should welcome the Prime Minister's apparent conversion, I think that he sees that this is no road to posterity.

The Prime Minister, like others before him, wants to be remembered. He realises that following a well-trodden path is no road to posterity. As we know, the Labour party is heavily into marketing so, to use a marketing term, the Prime Minister has to product differentiate the Labour Government from previous Conservative Governments. Therefore, the Prime Minister has decided to tinker, without thinking through the consequences. His big idea is to tinker with the constitution and, as we shall see later, to tinker with the NHS.

The Prime Minister will tinker with devolution, even though it may mean the Labour party in Wales and in Scotland splitting away from new Labour. That is a real possibility for the Labour party. Conservative Members will be watching that space with considerable interest when it comes to the elections for the Scottish Parliament and if, as we all believe at the moment, the Scottish National party wins.

The Prime Minister will tinker with the other place, although a Chamber of placemen is even less democratic than the status quo. Why cannot he wait for the royal commission on the other place to report back first?

The Prime Minister will tinker with our voting system, even though Israel, New Zealand and Italy all seek to adopt a first-past-the-post system—the very system that the Prime Minister is now trying to abolish.

As I said just now, not happy with tinkering with the constitution, the Prime Minister now wants to tinker with the health service. This Government of soundbites maintain that the internal market is somehow destructive. We have heard that from the hon. Member for Bedford (Mr. Hall) and from other Labour Members. They criticise the internal market, but it benefits patients. Let us remember what it was like before the internal market.

In 1990, the King's Fund centre published "Health Care UK", its annual review of health care policy. The paper

[Mr. Michael Fabricant]

addressed the lack of efficiency within the NHS compared with other Government Departments. The centre, a neutral body, asked:

"Why should so little have been achieved within the NHS not just during the 1980s, but in the previous decades?"

Mr. Stephen Hesford (Wirral, West): Will the hon. Gentleman confirm that the 1990 review was carried out after 11 years of a Tory Government and that that is why there was no progress in the NHS? It was under your Government. It was your tinkering—

Mr. Deputy Speaker: Order. The hon. Gentleman must distinguish between his second and third person.

Mr. Hesford: It was the hon. Gentleman's Government after 11 years.

Mr. Fabricant: The hon. Gentleman spat it out eventually. Unfortunately, he was preparing his intervention before he had heard the full quote. I repeat:

"Why should so little have been achieved within the NHS not just during the 1980s, but in the previous decades?"

I said that, but the hon. Gentleman was not listening. The report describes the huge leviathan of the NHS, the biggest single employer in the United Kingdom since 1948, as being incapable of efficiency with

"simultaneous centralising and decentralising tendencies interfering with the thorough-going implementation of either."

That could not have been a Conservative party report because there is no way that such a report would use a ghastly phrase such as "thorough-going" with a hyphen.

The report went on to detail how cumbersome the NHS was. Its efficiency was almost as bad as that of the BBC, yet just four years later, after the introduction of the internal market, the same King's Fund centre was writing a different story. In a paper entitled "Evaluating the NHS Reforms", it stated:

"In many areas of hospital operations, trusts had significantly lower costs than non-trusts, particularly in ward unit costs and in areas associated with administration and management."

Let us be absolutely clear about this history lesson. The money saved is money that can be spent on patients and beds instead of on waste.

In 1989, a report in *The Guardian*—hon. Members know that it is my favourite newspaper—gave an example of the waste and bad management that existed. It stated:

"Health authority beds have patched fences, walking sticks have been spotted in vegetable plots smothered in runner beans, and bed hoists have been seen raising engines from cars. Sheepskins have moved from beneath the bedridden elderly to the pride of place in front of fireplaces.

Equipment is haemorrhaging at a cost of £1,000 a week."

That is in one health district. The paper also stated:

"Officials calculate that a quarter of their £56,000 of home-care equipment goes over the garden fence each year."

In 1988, the same paper, *The Guardian*, citing an example of waste, before our reforms and the introduction of the so-called evil internal market—which, incidentally, the Government are not getting rid of, simply giving it a different name—stated:

"Responsibility for equipment is split between health, social services, and the artificial limbs and wheelchair authorities. Supply is a muddle: social services fit one type of hoist, the health authority another . . . Multiple sources for some items, the lack of others, and informal rationing which means long waits, all create confusion for disabled people and their carers.

They often have to accept what's on offer, instead of choosing the equipment that would best suit their needs. . . Research shows that up to 50 per cent. of equipment can go unused."

Dr. Whitehead: The hon. Gentleman is being a little selective in his trip down memory lane. In 1983, the Conservative Government introduced the Griffiths reforms to introduce general management into hospitals to solve precisely the problem that he has just described. Is he not therefore describing the failure of the Conservative Government to get to grips with the NHS?

Mr. Fabricant: The hon. Gentleman raises a perfectly reasonable point. Policies evolve—after all, who would have thought that the Labour party would be into privatisation? The Labour party has evolved. In 1983, we tried to do something with the leviathan—and yes, you are right, it did not work. That is why we brought in the internal market. That works, and that is why the Labour party is not getting rid of it. Don't believe your pager—

Mr. Deputy Speaker: Order. It is the hon. Gentleman who is now forgetting his second and third persons.

Mr. Fabricant: You are absolutely right, Mr. Deputy Speaker. That goes to show how important it is to have debates and interventions. It shows also that one can get emotionally concerned—as I am—about the welfare of people of this country, and not about spin-doctoring.

Who are the Government kidding? Does the Under-Secretary of State for Social Security, the hon. Member for East Ham (Mr. Timms), want to return us to the old shambles? The Minister—whom I know from the previous Parliament—is a sensible man and does not want that. Let us hear no more soundbites about the internal market setting nurses against doctors, and all the other claptrap that we have heard over the past hour or two.

The latest proposals from the Government involve tinkering with the GP fundholding practices, and that is what I want to concentrate on now. The proposed changes have serious consequences for my constituents in Lichfield. Every GP in Lichfield has chosen to be a fundholder; not one has shown any enthusiasm for the Government's proposals. That is not because Lichfield doctors—or any other fundholding doctors in the UK—are greedy, as the Government try to make out in an attempt to demonise them. It is because my local doctors firmly believe that GP fundholding practices benefit their patients.

As a local doctor said to me last night,

"Fundholding had its faults but at least GPs were in the driving seat of improving patient care."

He believes that primary care groups will worsen the treatment of patients. While PCGs give GPs the responsibility for looking after their patients' interests—in theory, at least—they will lack the power to have any

significant impact. The Government will point to the higher tiers of the new system, culminating in level 4, where the primary care trust will be responsible for all services to patients—like the health maintenance organisations in the United States, which the Government are attempting to copy.

On paper—like all soundbites—it seems like a good idea, but not for Lichfield, and not for the rest of the country. Let me explain why. Leaving aside the high management costs of HMOs, GPs will be locked into underfunding. Let us cast our minds back to the introduction of fundholding. This history lesson puts things in context.

Hospital consultants were using the media time and again to say that the NHS was not providing a service to individual patients. The then Prime Minister, Margaret Thatcher, personally announced on television a review of hospital services, out of which grew the purchaser-provider split to generate efficiencies for the benefit of patients. Until then, hospital consultants had huge power at health authority level, and the authority was responsible for providing hospital services.

As community services did not have the power to influence health authorities, proper development of community services, with a fair share of resources, did not happen. However, the purchaser-provider split could be killed at birth, as the consultants and health authority executives were the same people. Why would a hospital become a self-governing trust and take all the risks when paying lip service to the reforms was all that was required? Many hospitals would have remained under health authority control, so there would be no purchaser-provider split. From this, GP fundholding was born.

Let me give the House a local perspective. In the main, patients from Lichfield are sent to three main hospitals—Good Hope in Sutton Coldfield, Burton hospital and Stafford hospital. Lichfield doctors tell me that the services provided by Good Hope hospital used to be "atrocious"—their word. GP representatives on teams and authorities were merely tolerated, and were usually ignored. Fundholding empowered their voices.

By good fortune, and through the skill of the family health services authority—then chaired by a good friend of mine, Philip Jones—seven local practices were selected in the first wave of fundholders in the UK. Suddenly, local GPs controlled half of Good Hope hospital's budget for elective services. A marked improvement occurred at Good Hope for the benefit of patients as a direct result of the introduction of fundholding practices.

At Burton hospital, where the service was adequate prior to fundholding, most of the business came from Burton and south Derbyshire. With little impact from fundholders, the consultants retained their power. Only when a consortium of practices around Burton formed the Burton fundholding group did change for the better occur—change driven by doctors, caring for their patients at community level. These successes have been duplicated up and down the land.

Mr. Patrick Hall: What the hon. Gentleman has just described—which applied to small parts of the country, and certainly not to the whole country, under GP fundholding—can now apply to the whole country. That is the difference between the Government's proposal and the Opposition's proposal. Why does not he want the benefits that he has just described, regarding the balance of power, to apply to the whole country for all patients?

Mr. Fabricant: A sensible question, if I may say so, from the hon. Gentleman. On paper, it would seem to be a good idea—make fundholding compulsory, give it a different name and take away one or two of the powers. However, it will not work like that. If it did, I would be voting with him—but it ain't going to work like that.

The Government—and the hon. Member for Bedford—have recognised that fundholding has been a success, but they argue that it is a two-tier system with the patients of fundholding GPs benefiting because they have more money. The Government argue that the system is fine for fundholding patients, but not for ordinary patients. As the hon. Gentleman says, the Government have said, "Let us change the name to primary care groups and make membership compulsory. There will be a single tier and everybody will be happy." That is not the case.

Two fatal flaws in Labour's logic are dogging the Government—just as they have dogged previous Labour Governments. First, the Government ignore the fact that some GP practices are more skilled than others in management. It is not a question of whether they have more money or not—it is a question of whether they have the inclination to be involved in the management of practices. The second mistake in Labour's logic—a mistake that has been a common thread since 1948—is that the Labour party persists in the belief that dragging down to an equality of mediocrity is better than allowing excellence. We have seen that with the Government's aim to abolish the remaining grammar schools—we are now seeing it with fundholding.

I shall now be more specific. Primary care groups are not the same as fundholding practices—despite what the hon. Member for Bedford might think. All partners in first-wave fundholding practices had to agree to enter the scheme. One veto from one doctor in the practice blocked their joining the fundholding scheme. With PCGs, every GP is compulsorily a member of the PCG.

The boundaries of the group are arbitrary. For example, in Lichfield—I am sure that this will be duplicated in other parts of the country—if practices had a choice, they would join with certain practices in Tamworth, where there are like-minded GPs with whom they have worked for years. Instead, they have been bundled in with Burntwood. However, that is not the main point. In fundholding, each practice was responsible for funds for its own patients. With PCGs, the budget is for all practices in the group, with the implication that every GP has corporate responsibility for the spending of GPs in other practices.

In fundholding, the budget was set for planned procedures—this is the most important point, which has not been picked up yet—with the budget for emergency procedures remaining with the health authority. The new PCG scheme will result in practices having to fund unpredictable emergency treatment. Will the doctors in the House be so pleased with the changes if we have a bad winter and more people go to accident and emergency departments, and their budgets are cut accordingly? I suspect not. The budget for first-wave fundholders was set according to the hospital, drug and staff expenditure in the year before anyone had even coined the idea of fundholders.

[Mr. Fabricant]

A Lichfield GP wrote to me. He said:

"Will I be able to convince the Chancellor that my practice needs extra funding for winter pressures or waiting list monies to reduce the number of my patients on waiting lists? I am sure you know the answer to that question, and you will understand the attraction to the Government of PCGs. South Staffs Health Authority is about 13 per cent. underfunded so the playing field is not level; hence a multi tier NHS. Where you live may still determine the service you get. In addition to the 13 per cent. underfunding inherent in the budget calculations, there is also the thorny question of how to deal with overspends run up by health authorities by the end of this financial year. Will the Treasury write off these debts or will PCGs be forced to take on board these debts as a first charge on next year's funds?"

I do not know whether the Minister will be able to answer that question, but it would be helpful to receive a letter from the Department. The letter from the GP continues:

"Unlike fundholding if it goes wrong we cannot pull out."

What about the management skills needed by GPs? First-wave fundholders had to demonstrate management skills to be accepted on the scheme, but PCGs are compulsory. There has been no assessment of whether the skills are available countrywide. Are the Government aware that management skills are not part of GP training? Perhaps the Government feel that management skills are not needed because of the appointment of general managers, but the overall sum available for the manager and his team, for reimbursing GPs for the cost of locums in their absence on PCG business and for an honorarium for GP advisers is a measly £3 a year per patient registered with the practices in the PCG. The formula is obviously insufficient for Lichfield, Tamworth and Burton and for other areas.

Will the Lichfield team be able to deal fairly when Tamworth GPs will want to protect their Sir Robert Peel hospital? Could the Victoria hospital in Lichfield be threatened in such a scenario? As development at the Victoria has involved portakabins for several years, I would like to know whether Premier Health now favours Sir Robert Peel over the Victoria?

With fundholding, savings made by practices could be carried forward for up to four years, so GPs did not have to waste money by rapidly spending any surplus in the last month of the financial year. Savings had to be accounted for and the spending of savings had to be approved by the health authority. Improvement in care or facilities for patients was paramount. It was prudent to keep a reserve for future years' hospital care, as a practice could have an unusual imbalance of expensive procedures.

The Government have said nothing about what is to happen to PCG savings. If savings are not carried forward, where is the buffer for extraordinary years? The question is especially pertinent now, as for the very first time, the Government are making GP budgets pay for unpredictable, emergency work. It is a fundamental question: if the weather is bad, will GPs have their budgets slashed? The Government should tell the truth.

Mr. Nicholas Winterton: My hon. Friend reflects the concern of GPs throughout the country. I spoke earlier of the benefits brought by GP fundholding, but admitted that there had been abuses. My hon. Friend is outlining some of the problems with the Government's proposals, but how would he amend GP fundholding to reduce the abuses and the problems that were created for some hospitals and hospital trusts, while preserving the many benefits that it brought for patients, putting as it did the GPs on an equal footing with the hospital consultants, who had hitherto dominated the health service?

Mr. Fabricant: I would like to extend fundholding. I would not make it compulsory and I would provide better training so that all GPs would have the ability and the financial wherewithal to manage their own practices, as happens with the 55 per cent. of practices that are currently fundholding. Eventually, by voluntary choice and ability, all practices in England and Wales would be GP fundholding practices. We should certainly not say, as the Government do, that the extraordinary budget—for emergencies, for illnesses in winter and cardiac arrests—should come out of the GPs' budgets.

Dr. Brand: *rose—*

Mr. Fabricant: I am coming to my conclusion, and I know that others want to speak.

The measures will not help community care. They are all about party dogma. I end not with my words, but with those of my Lichfield doctor. In an e-mail that he sent to me last night, he said:

"Like the 'new' arrangements for the House of Lords,"—

I will have to sign this doctor up to the Conservative party if, as I believe, he is not already a member; his words provide a better ending than any that I could possibly write. He said—I repeat his opening words—

"Like the 'new' arrangements for the House of Lords, the new NHS seems to be words with no substance. Sorry, that is unfair; circulars describing the new NHS arrive almost every day. The comparison is only valid as nobody seems to know how either will work!!"

6.8 pm

Dr. Howard Stoate (Dartford): As the only general practitioner on the Government Benches, it is up to me to inject some common sense into the debate, following some of the arguments that we have heard from Conservative Members. I am sorry that the right hon. Member for Maidstone and The Weald (Miss Widdecombe) is not here, because I want to take issue with much that she said. I am afraid that, as usual, she displayed a tendency not to let the facts get in the way of some damn good rhetoric. It is important to consider in more detail some of what she said.

The right hon. Lady spoke about GPs having referral rights taken away from them by primary care groups. The record will correct me if I am wrong in supposing that she said that, under the new primary care group arrangement, GPs will lose referral rights to the hospital of their choice.

Some years back, under the fundholding arrangements—I hasten to add that I have never been a fundholder or accepted the necessity for fundholding—a patient came to see me and I diagnosed a particularly rare and unpleasant form of leukaemia. I knew that there was only one hospital in the land that could offer her any hope of decent treatment; I contacted it and spoke to the consultant. I said that if the woman was to have any

chance of survival she should be in his unit. He said that he entirely agreed, that it was a very rare case and that he would like to see the patient immediately.

The consultant asked me to send the patient along, but then said, "Hang on a minute, you're a fundholder, aren't you? You do have a contract with this hospital, don't you?" Oh, dear. Of course, the whole thing then fell flat on its face and it took another 12 hours to sort out whether I could have an extra-contractual referral on an emergency basis. That was all to the great detriment of my patient, who subsequently died.

I would argue that fundholding has not been a great success because it has led to a two-tier service and undermined doctors' ability to send patients where they choose, causing great distress and difficulty.

Dr. Brand: I am grateful to the hon. Gentleman, who has just described my fear that the new arrangements will mean that all patients will be treated in the same way as patients of non-fundholding GPs. I am sure that he has read the executive letters issued by the Department of Health and I hope that he is clear, because I am not, on how we can retain the ability to refer patients in the situation that he describes. A speedy response between clinicians is essential for an effective national health service, and managerial systems must not get in the way. Fundholders cut out a lot of the rubbish and I hope that primary care groups will be able to do the same.

Dr. Stoate: Fundholding took out some of the nonsense, but it should not have been there in the first place. Before 1990, a GP had the right to refer a patient to any hospital in the land. The previous Government created the mess and it needs sorting out. GPs who were not members of fundholding groups did not have the right to choose to whom they referred their patients and that caused great distress and difficulty for many people.

I wish to tell the House about experiences I have had in my constituency. I take issue with the hon. Member for Lichfield (Mr. Fabricant), who seems to think that all the doctors in his area are opposed to primary care groups. He gave the game away when he said that he would send a membership form for the Conservative party to one local doctor, who seems to be a ripe candidate for joining. The hon. Gentleman's experience differs from mine.

Mr. Fabricant: The doctor is not a member of the Conservative party. In Lichfield, every GP is a member of a fundholding practice—it works for them and, more importantly, for the patients. I do not know how the hon. Gentleman can talk about fundholders when he has never bothered to become one. Does he not think that his patients might have benefited?

Dr. Stoate: I never bothered to become a fundholder because I was sure that it was not right for my patients. The hon. Member for Southwark, North and Bermondsey (Mr. Hughes) claimed that we would spend huge amounts on bureaucracy under the new system of primary care groups. Currently, there are 4,000 commissioning groups of varying sizes and we intend to replace them with only 600 primary care groups. Huge savings will be made in bureaucracy.

Mr. Simon Hughes: Those two statements are not necessarily logically connected. If fundholders are abolished, there will be fewer commissioners, but the new primary care groups will have to employ staff—they are all now advertising for chief executives. Some 500 extra managers will soon be appointed and nobody, in the professions or the management, has claimed that the first few years of the new system will result in any net reduction in managers.

Dr. Stoate: I shall enlighten the House on that point. As the hon. Gentleman knows, fundholding practices employ fundholding managers. They employ members of staff to shuffle bits of paper around, to sign off completed patient episodes, to sign off patient treatments and to ensure that patients have been seen by the right consultants. That involves thousands of pieces of paper. Every fundholding practice has a member of staff, sometimes several, to deal with that. A primary care group will contain an average of 50 GPs covering 100,000 patients, and one level of bureaucracy will cover all of them.

Mr. Hughes: One member of staff?

Dr. Stoate: No, but one level of bureaucracy. We will no longer need single pieces of paper for every completed episode of patient care. We will sweep away that nonsense of a bureaucracy that never taught anyone anything about patient management and never contributed to patient care, but snarled up the system with thousands of pieces of paper. That will lead to huge savings.

Nobody has yet put forward a sensible argument against a primary care-led NHS. Our changes will mean that local doctors, nurses, and members of social services departments who understand the local needs of local patients will set up local services to meet those needs. What could be more sensible? That has to be the way forward, not the hugely bureaucratic system we now have.

Change is threatening, and the hon. Member for Lichfield described the fears and doubts of some of his local GPs. I do not decry those fears, because they are genuine. Nobody easily votes for change—other than to get rid of the previous Government, when people voted with alacrity for change. Many GPs have expressed their concerns to me because I am the only GP who sits on the Government Benches and I tend to be the focus for GPs' concerns and anxieties. I do not wish to patronise them by saying that their doubts and fears are unfounded, because in many cases they are not.

In the interests of good debate, I wish to point out some of the genuine fears of GPs. For example, fundholders have spent much time and energy setting up new clinics and services for the benefit of their patients. Good luck to them. They have sometimes succeeded in pushing at the boundaries of medical care and making some treatments very effective. Some genuine innovation has flowed from fundholding and I do not seek to minimise that. Fundholding GPs do not want to see those benefits lost and they are anxious that the clinics they have set up continue to provide good care for their patients.

Non-fundholders are anxious to ensure that they have enough time, energy and expertise to make the new primary care groups work. I do not seek to minimise those fears, either. Other fears include overspending and what will happen if the money runs out. Some people are concerned that if they take time out of their practices to

[Dr. Stoate]

sit on primary care boards, their partners will have to pick up the slack. If a doctor is out of the practice for half a day a week, somebody else has to see the patients and that can cause tensions in partnerships. We must face up to those problems in an adult way, instead of with rhetoric and loud voices. Those fears are not merely moaning from a privileged interest group that has always had its own way. That is a patronising and simplistic view. It is also wishful thinking, because GPs have raised real issues that will not be solved without careful consideration and thought.

This morning I contacted Dr. Alasdair Thomson, the GP chief executive of the Dartford, Gravesham and Swanley HealthCare Partnerships Project and chair elect of the new primary care group. The project was initially set up as a pilot scheme, covering 220,000 patients with 116 GPs, 70 per cent. of whom are fundholders. They have worked with non-fundholders, voluntarily, to set up the project, which is a precursor of primary care groups. The project has followed, almost exactly, the model that will be followed by all PCGs. It has blazed the trail for PCGs, faced up to the difficulties I have described and found solutions.

The project is enthusiastic about its work. I was due to meet Dr. Thomson this evening to discuss his group's plans, but I felt it was more important to take part in the debate. We intended to discuss the project's seemingly unquenchable thirst for innovation. I am sure that Ministers will be delighted to hear that the subject of tonight's meeting was whether the project should express an interest in becoming a primary care trust at the earliest opportunity. The project is convinced that it is of real benefit to the local communities.

Dr. Thomson sent me a progress report today, which explains what the group has achieved and how that has benefited its patients. The report states that the project was set up

"as a Locality Commissioning Group Pilot in September 1997 . . . Since the publication of the White Paper . . . the GPs have been working in partnership with West Kent Health Authority, Kent Social Services Department, Trusts, particularly Dartford and Gravesham Acute Trust and Thames Gateway NHS Community Trust and the Community Health Council to develop services which are more responsive to local needs."

The progress report continues:

"The pilot status has given us a head start in developing partnership working, bringing together organisations in Health and Social Care and in particular, tackling the 'Berlin Wall' culture.

This has enabled . . . GPs from very different types of Practice in Dartford, Gravesham and Swanley (Urban, Single Handed, Rural) to come together in a specific forum to raise issues and solve problems which directly relate to local health needs."

It allows GPs to become directly involved in commissioning decisions and service development of local trusts. In particular, GPs are looking at ways in which to bridge the gap between fundholding and primary care groups. For example, equity of patient access to in-house clinics is one of the difficulties that we have considered, and they have found the way around that problem.

GPs have also formed new service review groups to develop local services in conjunction with trusts. So far, there has been success in urology, anticoagulant therapy, radiology and ultrasound, and dermatology. That is exactly in line with the Government's proposals in the new Bill. Our primary care teams—GPs, practice nurses, practice managers, district nurses and health visitors—are working together with social services care managers to develop elderly care services in the community. That way of working has been piloted at six GP sites in the district, and it is ready to be rolled out across the entire group. It has also allowed the commissioners, the health authority, social services and GPs to work together with providers to improve mental health services in the locality.

Perhaps more excitingly, the groups are also working with the health authority pharmacists and pharmaceutical advisers to draw up guidelines on the most rational and cost-effective prescribing. The report sent to me this morning asks, "What's gone well"? It responds:

"Groundswell of support from all organisations, particularly around partnerships working.

A belief that we can tackle local issues better.

A head start in developing management structures to cope with the new PCG agenda.

GP involvement in the Commissioning process.

A foundation to enable us to start to tackle issues in Primary Care and the concept of Clinical Governance."

That is not a bad record for a group that set itself up voluntarily, and which is a mixture of GP fundholders and non-fundholders who have demonstrated a year ahead of everyone else that they have tackled most of the problems head-on in a way that has met local need.

More importantly, the group has also improved local services for patients in a way that would have been undreamt of a couple of years ago. That is the reality of what happens when we work towards primary care groups. The reality is not the rhetoric that we have heard this evening, but the fact that real GPs treat real patients in real situations, making real improvements in care. It is not about some GPs fighting against others for scarce resources. All the GPs in the area are working together to improve resources for all patients. That must be the way forward. I commend what the Government are doing to roll the programme out to the entire country.

6.22 pm

Miss Anne McIntosh (Vale of York): I am delighted to participate in the debate on the Gracious Address. I am afraid that I do not share the enthusiasm of the hon. Member for Dartford (Dr. Stoate) for primary care groups. I have consulted almost every practice in Vale of York over the past six months and I do not believe that primary care groups will work. In two or three years time, we shall have to come back with more proposals. I am no gambler, but I predict that the proposals will not work.

I was disappointed to hear the Secretary of State for Health say that he was removing a tier of bureaucracy. One of the grounds that general practitioners offer for being whole-heartedly against the proposals is that primary care groups will add another tier of bureaucracy. In North Yorkshire, there will be something like seven chief executives—recruitment adverts have gone out over the past two months—and they will cost, I imagine, between £20,000 and £30,000 each. I am not medically qualified. I cannot handle the sight of blood, so I went into another noble profession, the law. However, my father, my brother and my uncle have between them served between 80 and 100 years in the health service. The money intended to pay for chief executives in North

Yorkshire will be multiplied across the country and will total at least £1 million. In my view, and in the view of GPs who have written to me, that money should be spent on patient care, hospital treatment, the training of midwives or an increase in nurses' pay, to which the Government claim to be committed.

Do the Government intend to honour their commitment to raise nursing salaries? We all know that morale in the nursing profession is at an all-time low. In my surgery within the past month, I met a police officer and his wife, who is a nurse. The police officer believed that the Government did not have the money in this year's budget to make good the promised increase. The nurse was keen to extract a commitment that the Government would make good their promise, particularly through a big one-off pay increase that would bring nurses to the level that the profession justifies. Perhaps the Minister might tell us later whether the Government are committed to that increase.

I received a press release today from North Yorkshire health authority. It relates to the future of the Duchess of Kent hospital, in the constituency of my right hon. Friend the Member for Richmond, Yorks (Mr. Hague). The hospital is in Catterick, but it attracts patients from Vale of York. The thrust of the press release is that the immediate future of the hospital is secure. It is not to close for, I imagine, the foreseeable future. General practitioners are being asked to run it, which is welcome. In my experience, many GPs are well qualified to do operations, especially small ones, and I hope that that will work successfully at the hospital.

However, North Yorkshire health authority and I, with the support of my right hon. Friend the Member for Richmond, Yorks, are trying to extract a promise from the Government. The hospital was budgeted for in the Ministry of Defence budget, but it has become a direct drain on national health service resources. This year, it will suffer a shortfall of £500,000. I have taken every opportunity to write, to ask questions or to raise the matter on the Floor of the House. I have tried to extract from the Government a promise to make up that £500,000 shortfall. The short-term future of the hospital has been secured. In view of that fact, will the Government assure the House and my constituents that the money will be forthcoming?

The Minister for Public Health, the right hon. Member for Dulwich and West Norwood (Ms Jowell), who is not in her place, kindly replied to my Adjournment debate within the past month on the question of health among those living near overhead line transmissions. I referred in particular to power lines in Vale of York and other parts of North Yorkshire. Would the Under-Secretary of State for Social Security, who is here, convey to the right hon. Lady the fact that I am concerned about the important work being undertaken by Bristol university and Professor David Henshall, which I know she values and which is making a major contribution to the debate. The Electricity Association has intervened at the highest level at the university—the vice-chancellor—to try to stop that work. The right hon. Lady committed herself, when she replied to my Adjournment debate, to making more studies available. That work could prove conclusively that health risks exist, and that leukaemia may be formed—cancer is certainly formed—among those living close to overhead lines.

My constituents share my regret about the Government's knee-jerk reaction to a minuscule risk when they banned beef on the bone. A much greater and clearer risk exists from power lines, but the Government are not so quick to react to the very serious health concerns of those living underneath or near overhead lines. I urge the Government to assure me that they will make a similar knee-jerk reaction to that problem. I did not agree with the decision to ban beef on the bone, but the Government must be consistent. If they react with a knee jerk to one health scare, they must do so again for another scare that affects a much larger number of people.

Finally, the link between health, welfare and food hygiene in livestock farming is compelling and serious and I must place on record my concern about the apparent lack of communication in many instances between the Department of Health and the Ministry of Agriculture, Fisheries and Food. The banning of beef on the bone was just one example of that.

The Minister may or may not be aware that two proposals are decimating turkey production. I speak with heartfelt concern for Moorland Turkeys, a large company based in Vale of York near Thirsk. The Government's proposal to ban the sale in butchers' shops of turkeys that have not been eviscerated—in common parlance, that means with their giblets—is already causing great concern and has affected turkey production. A number of turkey factories, not least some owned by Moorland Turkeys, have closed. Production had to be halted because of that proposal. That was another knee-jerk reaction. There is no consequential health risk from such sales about which we need to worry. I wish that the Government would stop damaging food production in that way.

Another Government proposal affects turkey production. Health checks are to be made on turkeys and vets are to be present during their processing and slaughter. It costs £40 per hour for a vet to be present. I realise that that matter is probably the responsibility of the Ministry of Agriculture, Fisheries and Food, but the two Departments should talk to each other. There is no co-ordination between them. That sort of knee-jerk reaction is threatening to put turkey producers out of production, as other schemes have already done for beef producers and others.

I shall leave the Government with a thought on a matter that I raised with the Minister of Agriculture, Fisheries and Food yesterday. I am convinced that this country has the highest food hygiene and production standards. Producers need to be reassured that imported food products have to meet those same high standards before they are sold in our stores.

6.33 pm

Mrs. Ann Cryer (Keighley): Today's subjects of health and welfare in the debate on the Queen's Speech and our legislative programme for the coming year are subjects close to my heart, and, for good reasons, the hearts of many of my constituents.

I congratulate my right hon. Friend the Secretary of State on moving to the abolition of the wasteful national health service internal market, so that co-operation, rather than competition, will become the motivating force. I am also extremely pleased by our move away from general practitioner fundholders. In Keighley, the Aire Valley health consortium three years ago led the way towards

[Mrs. Ann Cryer]

primary care groups, which include all the practices in Keighley—large, small, rural and urban and, more particularly, Asian doctors, who give an excellent service to their community but tend to work alone. The situation there is similar to that described by my hon. Friend the Member for Dartford (Dr. Stoate) in relation to his area.

I look forward to fairer provision, regardless of which part of the town one lives in. Nationally, the provision of primary care in the health service will, I trust, be first rate for all, and will be according to a patient's physical and mental condition, not their postcode.

Many of my constituents are more than happy with the existing administration of the Airedale national health service trust. Airedale general hospital at Eastburn is the biggest employer in my constituency and serves an area north as far as Bentham in the dales, west as far as the constituency of my hon. Friend the Member for Pendle (Mr. Prentice) in east Lancashire, east as far as Leeds, and south as far as Bingley, in the constituency of my hon. Friend the Member for Shipley (Mr. Leslie). Airedale hospital is extremely well regarded by all the communities that it serves. The staff of the excellent special care baby unit were delighted to be visited by my right hon. Friend the Secretary of State earlier this year. That visit was regarded as recognition of the magnificent service given by a dedicated team of carers at all levels and in all specialties.

Recognising the special place that Airedale hospital holds in the hearts and minds of the people of my constituency and the many communities that I have mentioned will, I trust, persuade my right hon. Friend that to merge the Airedale and Bradford NHS trusts would be extremely unpopular and ill advised—in fact, not even worthy of consideration. I hope that those will be the final words on that subject.

I believe that my commitment to universal benefits is known to my right hon. Friend the Secretary of State for Social Security. It may be very old Labour indeed, but universal benefits, available to all with the benefit clawed back where necessary through taxation for those on high incomes—provide the safety net of welfare benefit provision, in particular for the most vulnerable people who are often unaware of their entitlements and simply do not know their way around the system. I am particularly pleased that child benefit will remain universal and that it will continue to increase, although I still mourn the loss of the enhanced rate for single parents.

I am sure that none of us can take exception to the idea of providing support for those who need it most while helping those who can work back into work. Certainly, extra support for families charged with the lifelong task of caring for children born with spina bifida, Down's syndrome, cerebral palsy and other chronically disabling disorders must be welcomed by all. Most of us who have been asked for some form of help by such families know of the dedication of the parents involved.

We are also aware that some incapacity benefit claimants have jobs in the black economy but, judging from my experience as a Member of Parliament and a member of the social security appeal tribunal for nine years, those are the rare exceptions and certainly not the rule. One of my abiding memories is of a man who was reduced to tears before the tribunal when he graphically described how a Department of Social Security doctor asked him to kneel, but when he said that he could bend his knees only so far, the so-called doctor pushed down on both his shoulders until his knees reached the floor. He had cried out with the intense pain, but he was thus declared fit for work. I trust that our justified enthusiasm for helping people back to work will not put claimants into that sort of painful and degrading situation. No doubt our constituents will tell us if unnecessary pressure is put on those with a genuine illness and we will in turn make Ministers aware of such cases.

By and large, the changes in widows' benefits are an improvement for many, in particular bereaved fathers of young children. The doubling of the lump-sum payment will help many people with the enormous costs encountered on bereavement. However, the universal nature of the benefit long term will disappear, and for many people it will do so at a time when finding a job will be difficult.

I hope that my right hon. Friend the Secretary of State has taken into account the many people of my generation and some younger who have taken time off full-time paid work—in my case from 1964 to 1974—to care for our children. In our case, the Government did not give national insurance contribution credits for that period. I understand that that happened only from the mid-1980s. Therefore, were I not in the fortunate position of having the long-term widow's pension, my retirement pension would be much reduced when I reached 60, owing to the lack of contributions for 10 years. With the approval and generous support of my party and of the people of Keighley and Ilkley, I look forward to at least a second term in this place, in which case I shall be working until the age of 65. Even so, I would still be on a much-reduced state retirement pension as a result of those 10 years out of paid, full-time work. I hope that the new arrangements for widows take that into account so that widows at the age of 60 will have a full pension regardless of contributions.

For one or two items in the Gracious Speech I should have preferred the promise of legislation to that of draft Bills—for example for the strategic rail authority and freedom of information. Given my age, impatience may be understandable. I am pleased with much of the legislative programme and much in the speech of the Leader of the Opposition made me happy to be a Labour Member.

6.40 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I am pleased to follow the hon. Member for Keighley (Mrs. Cryer) and I congratulate her on her compassionate speech. I would not have expected anything else, knowing her family background, if I may put it that way. Perhaps I can do a deal with her and create a pincer movement. If she approaches the Government from an old Labour point of view and I from a Liberal Democrat view, we might reach our goal in the end.

I have always supported the Government's approach to developing social security and to planning welfare reform in so far as they believe that that must be done across Government Departments. If ever anybody wanted evidence of the need for that, they would find it underscored in the Acheson report, the independent

inquiry into inequalities in health. It is inadequate to try to implement social change simply by using the Benefits Agency and the Department of Social Security. I have always taken that view, and after the election I encouraged the Government in that direction.

I support what the Government have been doing—and certainly much that has been done to introduce work as a way out of welfare. Obviously that is the right way forward. Nevertheless, I am worried about the fractured way in which some social security policy is beginning to unfold. There is concern that the Department may have lost some momentum in evolving a coherent set of long-term policies. The Queen's Speech provides an opportunity for us to tease out from Ministers the Government's long-term vision and strategy for our social security policy. By that I mean, not just for the next 12 months, but for the next five or 10 years. As we all know, policies that we put on the statute book must stand the test of time and, hopefully, withstand changes of Government, if there is to be any stability in the system.

Although this matter is not solely for the Department of Social Security, I am worried at the way in which the policy is being deployed. The Treasury is involved. The Prime Minister is now chairing a Cabinet committee. The social exclusion unit, which I welcome, is in on the act. The Department of the Environment, Transport and the Regions is now looking after housing benefit. The Treasury introducing a working families tax credit. All those initiatives can be considered individually and found to be good or bad, but I would have expected the Government's programme for a second term—I appreciate that it takes time for a new Government to get into their stride—to give more of a hint at the long-term strategy. I am nervous that that is absent from the Queen's Speech and I should be pleased to be guided on that.

I fully accept the clearly adumbrated principles in the Loyal Address of work, security, fairness and value for money. No one could argue with that. On the detail of the proposed welfare reform Bill, I hope that the Government can assure us that reform of disability benefit will be implemented only after proper consultation with the pressure groups involved. I am anxious that the pension sharing and divorce measures—the Select Committee that I have the privilege to chair has just completed what I hope is a valuable report on the matter—do not get lost in the totality of the stakeholder pension provision reform. If the measures are tacked on in some clauses to a Bill that focuses in other directions, there is a danger that the Standing Committee may wish it through with one or two amendments because the Select Committee thought that it was not a bad idea. The measures are more important than that. Their implementation may benefit from slightly more delay than the Government currently envisage. We were certainly grateful to have the opportunity of pre-legislative scrutiny and I hope that it will prove to have been of value to the measure when it comes before the House.

The working families tax credit is a good idea in principle. However, some thorny implementation problems remain to be addressed. In particular, the previous Chairman of the Select Committee is rightly credited with having identified fraud as a major issue in social security policy. This is the first new benefit that the Government have come up with, yet I cannot see any design attempts at its gestation phase to make it proof against fraud. The Government have rightly made an issue of trying to wring fraud out of the system. This is the first benefit of whose implementation they have been in sole charge, yet there is no evidence that they have taken steps in gremio to make it harder to defraud the system. If that turns out to be the case, that will be a shame.

The social exclusion unit is an exciting idea. To build a unit into the whole process at No. 10 based in the Cabinet Office and reporting directly to the Prime Minister is an extremely good idea. How will the unit be held accountable to the House? I do not ask that in any carping way, but because it straddles Departments, there is no Select Committee with a unique responsibility for monitoring its work. It is to cover a vast range of Government activity from the DETR, the Department of Social Security, the Department for Education and Employment, the Department of Health, the Cabinet Office, the Home Office, the Treasury and the Department of Trade and Industry. That is a huge brief and the work is important. The unit is to report directly to the Prime Minister, but how can Members follow and understand what it is trying to do? Following the Cabinet reshuffle names of responsible Ministers are being considered and have yet to be announced, but the Government have a duty to say clearly how the House can get access to the work of the unit.

That is true, too, of the DETR task forces. There are 18 policy action teams, all with so-called champion Ministers assigned to them. I am in favour of inter-departmental working, but I am worried that it may become incoherent and that it may not be effectively scrutinised by this House. I hope that Ministers will consider these criticisms in the positive, constructive spirit in which they are made.

The Green Paper on success measures is a brave idea. It is brave of a Government to say that they will set success measures in social security, because the Government can be tested against them. There has been some well-directed criticism to the effect that some of the measures are ill-defined and impractical at the draft stage. That consultation process is now over, but we have not yet heard what the Government will make of that consultation process and what improvements they want to introduce. It is important that we do not lose momentum. I am disappointed in particular that there are no criteria for measuring a reduction in poverty. That is a significant omission. I am sure that the hon. Member for Keighley would agree, knowing her concern about these matters. If success measures for welfare reform and social security are to be meaningful, some benchmarks against which to test poverty must be included. I put it no higher than that.

I notice that the Queen's Speech did not refer to a proposed pre-legislative scrutiny stage for the draft child support Bill. The previous Ministers at the Department gave an undertaking to the Select Committee that we could examine a draft Bill on child support. This is too big an issue to get wrong twice—and I do not need to say that twice. It is a tough challenge for the Select Committee, but we look forward to it. I hope to be told that that point was omitted for brevity's sake and that there will be no going back on the undertaking.

The Secretary of State's recent statement on changes to bereavement provision elicited a number of responses from hon. Members on both sides of the House about the future of the contributory principle. I talked earlier about trying to get a better idea of the Government's strategy. If we do not get some idea of what the Government have in mind for the social insurance principle, we may move

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by default to an American system where everything is means-tested. There may be an argument for that but I would not want it to happen by default.

I remind the Minister that the Government Actuary's quinquennial review of the national insurance fund provides an opportunity for a debate. If the Government have challenging ideas, I for one am willing to sit down and work them through. If there are radical changes in the Government's mind, I would rather have them out in the open so that we can have a proper debate rather than having it all done by default.

I am worried about two big issues that concern the modernisation of information technology. I know that the Minister is an expert—I nearly said an anorak—on IT. The two projects are private finance initiatives. NIRS2, the national insurance recording system installed in Newcastle by Andersen International, is suffering serious delay and major technical difficulties. In October, the Department admitted that the computer database had collapsed, resulting in underpayments of up to £100 a week for some pensioners. That is a serious matter and casts doubt on the PFI. If we are going to get into that sort of trouble, perhaps we should reconsider it. I would like some reassurance on that.

I believe that the Horizon programme, which put Benefits Agency technology into post offices, is teetering on the brink of collapse. If so, it is another PFI project that is years behind time and suffering escalating costs. The Government have an opportunity to enhance the ICL scheme by going for smart cards rather than magnetic strips. Something must be done. A statement must be made soon or people will think that the Government are reneging on the contract. I do not want to go scaremongering in that direction but I fear not that delivery of the modernisation programme—a key part of Government policy—will be prejudiced but that the post office network will be prejudiced. I am sure that the Government know that that is a double whammy of enormous political significance. The silence of Ministers is deafening and the more that it continues, the more those of us who watch these things will worry.

To return to my first point, I hope that Ministers can reassure the House, now that we are nearly two years into the Parliament, that they have a long-term view of where their reform and modernisation proposals will be in 10 years. I hope that they will use the Queen's Speech debate to make that clear to those hon. Members who are interested.

6.54 pm

Dr. Ashok Kumar (Middlesbrough, South and Cleveland, East): It is a pleasure to follow the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), and to praise his work on the Select Committee and the seriousness with which he approaches the subject. I agree with him about the work of the Child Support Agency. I have had to deal with about 250 cases, and I have real problems to sort out.

It has been pleasant to listen to the Loyal Address debate. I even enjoyed the ranting of the right hon. Member for Henley (Mr. Heseltine), who accused the Government of following in the footsteps of Clem Attlee's Government. I am delighted to plead guilty, because that Government had great successes. It was the jewel in the crown of Labour Governments, and I am proud to be associated with them.

Mr. Burns: They only lasted six years.

Dr. Kumar: They were elected in 1950 as well. The hon. Gentleman must wait.

This has been an inspiring week for Labour Members. Today's debate is on health and welfare. Within that framework, I want to raise the needs and desires of disabled people; but first I have some general comments on the Loyal Address. I hope that the message has gone home to the British people that, unlike the Tory Government, this Administration know what they want to deliver, and refuse to be pushed off course. Labour fought the general election on a manifesto with 177 commitments, 63 of which have been met. The Gracious Speech contains the bones of legislation that will enable the Government to deliver on more.

We are committed to improving educational standards and ending the two-tier national health service, with the help of reform and the financial support of £40 billion announced earlier this year. We are committed to fairer asylum and immigration laws, and to introducing more, and fairer, protection for people in the workplace. We are committed to securing greater social justice by lowering the age of consent. As a democratic socialist, I welcome all those commitments as part of the big picture of creating a fairer society. I hope that the reforms—there are plenty of them in the Loyal Address—will unite all who believe in progressive values on change in our society.

The Loyal Address and the Government's programme was described by David Halpern in the *New Statesmen* as an attack on the lazy and lucky: the people who by birth have been handed the right idly to dictate the country's democratic programme, and the people who were in the right place at the right time when the spoils of monopoly and privatisation were handed out. By contrast, the beneficiaries of the Government's programme are those less fortunate: those who were unable to share in the greedy spoils of the past 18 years, and those who were the victims of discrimination.

I have been a campaigner against discrimination. I know from direct personal experience what it is, and what it feels like. I came into politics and the Labour party as a vehicle to fight discrimination. As a former chair of a local authority equal opportunities committee, I am acutely aware of the discrimination faced by disabled people. It is sometimes overt, too often covert. That is why I give three hearty cheers for the Bill that will set up the disability rights commission.

I was astonished to hear the right hon. Member for Richmond, Yorks (Mr. Hague), who represents the constituency that neighbours mine to the south, praise the initiative. If that section of the Gracious Speech is so praiseworthy, as it is, it will be asked why in the past 18 years his party did not introduce legislation with the same proposed powers and duties. Why did his party take great pleasure in killing several private Member's Bills that would have introduced measures that we are beginning to implement?

I was a Member of Parliament in 1992, when the Conservatives killed the private Member's Bill promoted by Alf Morris, now Lord Morris. The culprit on that

occasion was the then Conservative Member for Kingswood, who was subsequently defeated in the 1992 general election by my hon. Friend the Member for Kingswood (Mr. Berry). Yesterday, my hon. Friend spoke eloquently about disability issues, although he underplayed his own praiseworthy contribution to campaigns on those issues. I shall be gracious to the Conservatives and concede that, under intense pressure from outside this place, they did finally enact legislation; but, although well-meaning, it turned out to be toothless.

Having referred to pressure from outside, I should pay tribute to the campaigning work of organisations that represent the disabled. Much of the legislation that we shall enact originated with those organisations and their members' direct experience. The questions I pose to the Conservatives here are those which many of my constituents who are disabled or who care for the disabled will put to the right hon. Member for Richmond, Yorks. They will also put them to those representatives of the Conservative party who undertake the grim and gruesome task of trying to sell the Conservative party in the local elections next spring.

Let me now turn to broader issues. The disabled in Britain are a large community: if we count all those receiving the state benefits that are due to disabled people, we arrive at a figure of 5.14 million people—the equivalent of the population of a large city such as Birmingham. However, there are others whose personal occupational circumstances do not allow them to receive benefit, as well as those who are on the borderline between disability and long-term illness. If we add them, the total is more than 9 million people.

Discrimination comes in many ways. Loose thinking sees it only in terms of access to employment, but it is far more complex than that. In the terms used by the consultation paper that was the precursor to the setting up of the disability rights commission, discrimination can cover

"access to goods, facilities, services and premises."

That is a wide-ranging definition. Disabled people often face multiple forms of discrimination, including discrimination in gaining access to buildings—often important ones such as railway and bus stations, local council offices and, it has to be admitted, Government Departments and agencies, many of which are still inaccessible, despite all our attempts to adapt them.

Disabled people often have difficulty in accessing services. They find it difficult to gain personal mobility by means of private or public transport, such as buses and trains, and—just as important—in terms of vocational and non-vocational training and other education opportunities. The ability to gain access to goods is also important, as many disabled people need special foods, medicines and clothing—goods that are often hard to obtain, and which might not be available at the right place, at the right time and in the right quantity.

Another issue that we should consider is whether many aspects of current legislation covertly discriminate against the disabled. I am thinking of simple things such as standards of highway and pavement design, food packaging and building regulations, and the design and layout of official forms and publications and of shops, libraries and post offices. Those are issues that the disability rights commission must be allowed to tackle.

The commission must be able to take direct action against those who directly and overtly practise discrimination against the disabled. It must be able to help disabled people through complex legal proceedings, and so enable them to gain what is rightfully theirs. Such support will often require partnership with other advocacy bodies and organisations—the work of the commission must not be ring-fenced.

The state, in its local and national manifestations, is the body that has the greatest impact on the disabled and their needs. We should not attempt to hide the fact that discriminatory practices have been discovered within state agencies and institutions. The disability rights commission should have unfettered freedom to probe the state and hold it to account when it has been guilty of discrimination. The Government must see the commission as the lead advisory body when drafting legislation that will have an impact on the lives of disabled people.

The commission must have the resources to support a truly capable conciliation service—one that has the clout to broker agreements and ensure that they are fully implemented. It must also have the resources to conduct and commission deep and far-reaching research into social and economic issues affecting disabled people. It must have the ability to institute and monitor codes of good practice, and to examine existing codes in order to determine how applicable they are to the needs and rights of the disabled.

I hope that Ministers will bear in mind some smaller issues later this year, when we debate the nuts and bolts of the Bill to set up the disability rights commission. The first is who has the last word on the content of codes of practice. Currently, codes issued by bodies such as the existing equality commissions and the National Disability Council are subject to ministerial approval and may be rejected by the Secretary of State. The consultation paper on the setting up of the disability rights commission proposed amending that, so that the Secretary of State can modify codes, rather than having to reject them outright. In some ways, that gives more power to the Secretary of State. The proposal requires clarification, and perhaps amendment, so that there is a common playing field for the various equality commissions.

Other potentially contentious issues include the concept, floated in the consultation paper, of having the power to charge for direct personal services to an individual in matters of legal representation. Given that the majority of disabled people depend to some extent on state benefits, such a proposal might be seen as threatening, and might deter people with genuine cases from seeking advice. In addition, greater clarification is needed of the relationship between the proposed rights and roles of the disability rights commission and those of the other equality bodies, and of the suggestions made in the Human Rights Act 1998 about the establishment of a human rights commission.

A general point, which is applicable to all areas of the Gracious Speech, relates to the bodies and agencies that will be established to control and run our new initiatives. Those will often take the form of a new or adapted non-departmental public body—in plain English, a quango. Many of us dislike quangos, and would prefer public affairs to be run by democratically elected bodies, but we know that, in the real world, that aim is not

[Dr. Kumar]

always achievable. If quangos have to be set up, they must be as transparent as possible, and be seen as directly representing the interests of the people they serve.

It is important that as many as possible of the people who serve on the disability rights commission should have direct experience of the issues and problems affecting disabled people. A substantial number of those who serve on the new commission must be disabled themselves. In that context, it would be an interesting experiment in the development of a truly pluralist society if those who wanted to serve on the commission and who were registered disabled were subject to a ballot by members of disabled groups throughout the country. However, that does not mean that it should not be examined as a principle to aim for, in terms both of the composition of the disability rights commission and of other bodies that serve a specific client group.

I am proud to be a member of an Administration that has sought to see the benefits flow to the many, not the few. I am also proud to be a member of an Administration that has ensured that those most disadvantaged by virtue of their disability are allowed to make the most of their innate talents, initiatives and abilities. That has been recognised by the groups and organisations that represent those with special needs.

There are such groups in my constituency. The Redcar and Cleveland access forum has told me of its joy at the measures. Its secretary, Jocelyn Holmes, said:

"Not all disabled people are able to call on qualified help and advice—but now we will have a body that will have the power of law behind it so as to speak for all of us."

There is popular support for the measures, both nationally and certainly in my constituency. That has been our message, and that is the substance of the Gracious Speech.

The establishment of the disability rights commission is a key milestone in the Government's long march towards a fairer and more equal society, and it is a step that I know many of my constituents welcome warmly.

7.11 pm

Mr. Robert Syms (Poole): This debate excites many passions, particularly when discussing health, for the simple reason that most of our constituents care deeply about these subjects. They value the national health service and the people who work in it. It is fair to say that, apart from a few cases, the vast majority of people receive good treatment from conscientious staff who work extremely hard. This year, as we celebrate the 50th anniversary of the national health service, it is worth reflecting on the prosperity of the nation, the national diet and the contribution of the NHS. Its founders would be surprised by how healthy, robust and successful we are as a nation.

As a Conservative, I am perfectly prepared to give credit to the Attlee Government for founding the NHS, if the Labour party is equally prepared to acknowledge that Conservative Governments have administered and nurtured it for 35 of its 50 years—or nearly 70 per cent. of its history. If all the dire headlines and the jibes thrown across the Chamber during the last Government and previous Governments had been true, we would not now be valuing what many hon. Members on both sides of the House have called the "jewel in the crown".

My right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) made a very good point: total health spending is vital. The Government started off badly by abolishing tax relief for over-60s private health insurance—a measure which encouraged people to put a little more of their own money into their health care. There is a real problem with public expectations that cannot be addressed through the Exchequer. If we can use the tax system to encourage people to invest a little more of their own money in their health care—and there is every evidence that they will do that—we will be able to provide a better service for all.

I do not intend to go into the details of the Government's proposals, because I have a feeling that I may spend many hours doing so later this Session. However, I must mention GP fundholding. That system has been in place for seven years, and nearly 60 per cent. of patients are covered by some 15,000 fundholders. GP fundholding has proved a success, because, by and large, decisions are taken nearer to the patients. It has empowered many GPs. I accept that there were no GP fundholders in many areas, but I believe that the solution was encouraging more GPs into fundholding rather than abolishing the system.

GP fundholding was voluntary, and, as many of my hon. Friends have pointed out, the system of primary care groups is coercive because people have no choice: it is a form of conscription. For that reason, the Government's proposals contain deficiencies—many of which we will undoubtedly test later this Session. One of the key differences is size. The Government propose increasing the size of groups to hundreds of thousands of people, or to 30,000 or 35,000 in rural areas. Frankly, that structure is too large.

Grouping together 50 or 100 doctors will cause difficulties. It is often hard to encourage doctors to work together—although they are very worthy people. I questioned a Yorkshire GP about this matter when the Select Committee on Health considered it, and he said that the regional groups would subdivide. That is perhaps an acknowledgement that, in rural areas, the Government are trying to create an edifice that is far too big.

I turn now to issues involving the national institute for clinical excellence. We are moving towards evidence-based medicine, which is good. However, doctors sometimes prescribe treatments that are not fully tested; some trial and error is involved. I think that we will get into difficulty if the institute provides guidance that doctors do not wish to take in the interests of their patients. Doctors may be put under professional or financial pressure to follow those guidelines. There must be a balance in this area between sensible guidance and audit, and sensible conduct on the part of medical professionals.

Earlier in the debate, we discussed moving away from self-regulation to more intervention by Government. The British Medical Association is aware of terrible abuses within the medical profession. Mention has been made of the fact that it is difficult to get rid of bad doctors and consultants, because their colleagues in the profession are not always prepared to stand up and be counted.

I served on a regional health authority some years ago that forced a particular consultant to take early retirement. Although other doctors refused to work with him, they would not put anything in writing, because he was

a colleague. Actions such as forced early retirement benefit the patients, but cost the national health service a lot of money. It is a question of balance. I shall be interested to examine the Government's proposals in detail when they introduce a Bill.

Mention has been made of reclaiming sums from insurance for accident victims. Like many other hon. Members, I have constituents who have suffered accidents and, as a consequence, cannot work. That often leads to financial problems, such as falling behind with the mortgage. That is not always the best time to try to get money from people, unless it can be done efficiently and cost-effectively. If a new agency is to be established to try to get money from insurance companies via patients, it must do so efficiently and effectively. We must test its success pound for pound.

In their publication "Our Healthier Nation", the Government stated that stroke and heart disease would be one of their four main priorities. However, the Stroke Association was a little exercised when the "national priorities for health" guidance, which was sent to chief executives of health authorities, failed to mention it. The Stroke Association viewed that as either simply an omission or a change in the Government's priorities.

The association is concerned because stroke is the third largest killer in this country, and the main cause of severe disability. Some £2.3 billion of resources from the health and social services budget is devoted to addressing that problem. It is not an exciting side of medicine—there is no fancy machinery—but the Stroke Association does valuable work improving people's thought processes and encouraging them to talk again and holding group sessions for stroke victims two or three times a week. That provides some respite for partners and carers who bear the brunt of caring for stroke victims.

Lord Skelmersdale issued a press release a few weeks ago to the effect that he would seek a meeting with the Secretary of State in order to gain a reassurance that strokes remain a high priority within the NHS. I hope that the message has got through to Richmond house, and that that assurance will be provided. My constituency on the beautiful south coast is rather more elderly than some, and, although there are young stroke victims these days, the elderly are particularly vulnerable to strokes.

Because it is reliant on blood products, the haemophiliac community gets really scythed down whenever anything goes wrong with them. In the last Parliament, the Government took the correct decision to compensate haemophiliacs with HIV.

As the Minister of State no doubt knows, there has been a campaign for compensation for the many haemophiliacs who contracted hepatitis C through NHS blood products. It is a great pity that, despite the campaign, the Secretary of State provided a written answer in July, only two days before the beginning of the summer recess, to say that the Government were not persuaded of the argument for compensating people with hepatitis C. Some of them will die, and they are concerned about looking after their families. They are finding life difficult. That issue needs to be reconsidered.

There has recently been a statement about Creutzfeldt-Jakob disease. If that is causing problems with blood products, it will affect haemophiliacs more than any other group, and they will experience problems first. I welcome the Government's decision to spend £30 million on blood products, of which I know there is a shortage. That is a belt-and-braces approach, but we cannot take any risks with blood products, particularly for communities such as haemophiliacs.

I hope that, during this Parliament, I and other Members on both sides of the House can persuade the Government that sufferers from hepatitis C, who have difficult lives, deserve compensation to enable them to adjust to their problems.

7.21 pm

Helen Jones (Warrington, North): I shall address my remarks to the decisions on the health service and the announcements about that in the Gracious Speech.

I am conscious that I and others of my generation are children of the NHS; I was born into the NHS and I have never known anything else. We are therefore probably the most fortunate generation in this country's history. We have never had to fear the consequences of illness or worry about how to pay the doctor, as our mothers and grandmothers did. We have been able to benefit from huge advances in medicine and surgery without worrying about the size of our pay packets. It is precisely because my generation has benefited so much from the health service that we have a duty to protect and extend it so that others might benefit in their turn. That is our aim in this Session. We are working for nothing less than the modernisation and improvement of the health service to make it, once again, the envy of the world, because for the people whom we represent, nothing less is good enough.

The previous Government paid lip service to that duty but did not carry it out. We all remember them saying that the NHS was safe in their hands. I am sure that General Custer said the same to the 7th Cavalry. He probably said, "Stick with me boys and you'll be all right." Far from safeguarding the NHS, the Conservatives set about damaging it. They introduced a two-tier health service in which doctors and nurses were competing against one another not for patients' benefit but to satisfy their accountants. When the Conservatives left office, inequalities in health had grown so much that people in social class V had a mortality rate three times as high as those in social class I. So much for one-nation Conservatism.

The Conservative party's response—which we heard again today—was not to consider how those problems could be tackled, but to encourage more and more people to use private medicine and to subsidise that through the tax system. This afternoon, Conservative Members have talked not about providing good public services, but about how they could provide a route out of such services for those who could afford it.

The right hon. Member for Maidstone and The Weald (Miss Widdecombe) would no doubt tell us that such measures provide freedom of choice. They do, but what freedom is there for people in Bewsey in my constituency, which is the most deprived ward in north Cheshire, who, however hard they worked and saved, would never in a million years be able to afford private medicine? What choice is there for people who require geriatric nursing, long-term mental health care or other services that the private sector hardly touches? Those people rely, and always will, on good public services. We are determined that we will meet their needs and tackle the health inequalities that so disfigure this country.

[Helen Jones]

In common with some of my hon. Friends, I still have on my bookshelf a samizdat copy of the Black report. The then Prime Minister, now Baroness Thatcher, did not like its conclusions, so she sought to suppress it, but health inequalities do not go away if we ignore them. They have got worse, as the Acheson report has revealed today. We are tackling those inequalities. We have appointed the first Minister for Public Health and changed the direction of the NHS so that it will not only treat illness but promote good health.

The north-west needs that change of direction more than most regions. Its mortality figures are the worst of any regional office area and they are much higher than those for England and Wales as a whole. In 1995, the last year for which I have complete figures, two thirds of all deaths were from circulatory problems and cancers, many of which were preventable. Those are not only figures on a balance sheet; they represent people suffering pain. It is the duty of Governments to tackle that.

The same inequalities are perpetuated in my constituency. Bewsey and two other wards—Poplars and Hulme—form part of the most deprived health district in my area. Their residents have higher rates of debilitating long-term illnesses and higher rates of cardiac surgery, but there is less uptake of preventive medical treatment such as child immunisation and cervical smear tests. They are poorly served in the quantity and quality of primary health care services. For example, they have a lower provision of health visitors than their needs would suggest. They have the lowest proportion of district nurses per members of the medical practice population aged over 65. They even get fewer knee and hip joint replacements than those living in the more affluent areas nearby.

If ever there was an argument for the Government's health improvement programmes and the use of primary care groups, it is evident every time that I go home. It is clear that, in the past, money and resources have not been allocated according to need and have not worked to improve health. That is precisely what the Government's programmes are designed to do. They will ensure that doctors and nurses, working in primary care groups with other agencies, deliver health improvement programmes.

Mr. David Heath (Somerton and Frome): I agree with much of the hon. Lady's speech. Does she not agree that it is a shame that primary care groups will essentially be general practitioner groups and will not sufficiently include other health care professionals, such as dentists, optometrists and pharmacists? They should be involved; they could provide business skills and would contribute to the holistic approach that she is advocating.

Helen Jones: I do not agree with the hon. Gentleman's view that primary care groups will consist of only doctors. They will include doctors and nurses, who will have the right to work with other health care professionals. We have heard much about bureaucracy. The hon. Gentleman's suggestion would add further layers of bureaucracy to the NHS. For my constituents, the programme is not an optional extra; it is vital to their well-being and, in some cases, to their lives.

I welcome that change in direction, but I say to my right hon. Friend the Minister of State that we must also change direction in other areas of the NHS. Mental health has been neglected for far too long, and care in the community has been introduced without the necessary back-up services. I know that there are differences of opinion on that matter in the House. Care in the community can work well, but it is not a cheap or easy option. It needs to operate alongside a range of services such as help lines, counselling and 24-crisis intervention teams, which work well in many areas and which help to meet the spectrum of people's needs.

We also need to consider innovative projects such as the Gatehouse assessment centre in Warrington, where there is a dedicated and enthusiastic team of staff who have created a multi-disciplinary way of working. They offer a range of physical treatments but also relaxation classes, health education counselling and even aromatherapy. More important, they have developed a system of clinical nurse assessment which has been validated and which has been proved to work well. It is that kind of forward thinking and multi-disciplinary approach that we need to encourage across the health service, not only in respect of mental health.

We want staff to be able to use and develop their skills; in return, they have to be accountable for what they do. We recognise that the vast majority of people are happy with the treatment that they receive, but when things go wrong—which, tragically, they sometimes do—it is important that mistakes are acknowledged and put right straight away. The commission for health improvement and the plans for clinical audit will have a major part to play in raising standards and in making sure that we learn from mistakes and that people get the most effective treatment. However, that by itself will not be enough.

The Select Committee on Public Administration, of which I am a member, has already heard too much about a reluctance by some doctors and trusts to admit mistakes, to acknowledge patients' need, or even to give simple information. They are a minority, but they have to realise that such attitudes have no place in a modern health service. Sir Lancelot Spratt died a long time ago. Consultants can no longer play God, and administrators and chairmen of trusts have to be accountable.

Mr. Iain Duncan Smith (Chingford and Woodford Green): Matron is still with us.

Helen Jones: I take that for granted.

While we require accountability on the part of staff, we must make sure that they are registered and regulated properly. The hon. Member for Southwark, North and Bermondsey (Mr. Hughes) mentioned this in passing. I hope that the review of the Nurses, Midwives and Health Visitors Act 1997, which the Minister is carrying out, will not only ensure stricter checks on the registration of nurses but will examine how we can protect the title of nurse. It is a mystery to me why people cannot call themselves midwives unless they are registered midwives, but can call themselves nurses so long as they do not claim to be registered.

I hope that we shall also make sure that if people are removed from the nursing register, they are not able to get jobs elsewhere in the health service or in social services, perhaps as a health care assistant or in some other capacity where they are still working with vulnerable people.

The NHS has moved on and developed new techniques and skills, but our systems of registration have not necessarily caught up with them. Let us consider the

example of operating theatre practitioners. They do not have to be registered—there is only a voluntary code. However, their jobs are often interchangeable with those of theatre nurses. In fact, trusts often advertise for a nurse or an OTP. Certainly, nurses and OTPs have the same access to sensitive equipment and controlled drugs yet, if an OTP abuses his position, he cannot be removed from a register, unlike the nurse working alongside him, and is quite free to get a job elsewhere.

The public deserve better from us, just as they need us to examine the way in which we register people practising as psychotherapists and physiotherapists and the restrictions that we place on them as to whether they can call themselves psychotherapists and physiotherapists. The good and conscientious staff working in the NHS deserve that protection. Their standing should not be damaged by charlatans who should not be practising.

There is much that needs to be done. This is a period of great change and great opportunity. I am pleased that we now have a Government who will tackle the various difficulties. As I said, like most of my generation, I am a child of the NHS. Perhaps our generation was in danger of taking the NHS too much for granted. However, after the last 18 years, we will not be in danger of doing that again. Because the NHS has been under attack, we have learned how precious it is. I hope that the Government will ensure that the NHS returns to the principle of its founder, who clearly said that private charity is no substitute for organised justice. It is organised justice and equality of health care that we want in the NHS, and I hope that the Government will ensure that that is what we have.

7.36 pm

Mr. Simon Burns (West Chelmsford): Like the hon. Member for Warrington, North (Helen Jones), I, too, am a child of the national health service, but I also had the privilege of being a Health Minister. This is the first time since 2 May last year that I have contributed to a debate on the health service. That was a deliberate decision, and I want to take part in this important debate because of my concern about what I believe to be a glaring omission in the Queen's Speech. That glaring omission is the absence of anything positive and concrete to deal with the problem of hospital waiting lists.

I am delighted that my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) is present. She has done a great deal of work in the past few months to highlight the problems suffered by our constituents as a result of rising waiting lists. I share a district health trust area with my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale), who is as concerned as I am about what is happening in the Mid-Essex hospital trust area. Sadly, the Minister for Public Health has had to leave the Chamber, but I am delighted that the Secretary of State for Social Security is present. I shall put to him several questions to which I hope he will have the courtesy to respond when he winds up the debate. My constituents desperately want answers to them.

When the Secretary of State for Health opened the debate, he was very dismissive of my intervention in respect of hospital waiting lists. My constituents will be extremely disappointed that he sought to brush aside my valid point by saying that he did not know where the figures came from and so was not prepared to say anything about them.

The figures came from written answers sent to me by the Minister for Public Health on 22 October and on 9 and 17 November. Therefore, the figures that I shall cite, which illustrate my concern about the lack of action proposed in the Queen's Speech, have not been dreamed up by the Conservative research department to embarrass the Government. They are figures put into the public domain by the Department of Health and the Minister for Public Health, so I assume that even the Government will accept that they are accurate and honest.

As I said, I am concerned about hospital waiting lists in the Mid-Essex hospital trust area and about the lack of any measure to tackle that problem in the Queen's Speech. Let me share with the House the scale of the problem facing my constituents.

During the general election, a little plastic credit card was circulated. It had on it a photograph, taken by Lord Snowdon, of the right hon. Gentleman who is now the Prime Minister. On the back of the card were several irrevocable pledges on which I think the Prime Minister wants his Government to be judged. One of them was that they would reduce waiting lists.

It goes without saying that, since early 1991, my right hon. Friend the Member for Huntingdon (Mr. Major), the former Prime Minister, targeted money each year specifically to bring down waiting lists. We started by eliminating lists of those waiting for more than 24 months. Waiting times were then brought down to under 24 months, then 18 months, and then, for non-emergency treatment, to between 12 and a maximum of 18 months.

During the election campaign, all hon. Members and their opponents had six weeks to canvass. I vividly remember my Labour opponent and the Labour party at large throughout the country saying, "Elect new Labour. We pledge to bring down waiting lists"—not increase them. The campaign was so frenetic that Labour created the perception and raised the expectation that, under new Labour, people would be able to walk into their local hospital on the day that a problem was identified and surgeons would queue up to treat them. The country believed that, if there were a Labour Government, waiting lists would fall and non-emergency hospital treatment would be available infinitely more quickly.

What happened? From day one of this new Labour Government, hospital waiting lists for non-emergency treatments have risen inexorably. My constituents cannot turn up at Broomfield hospital and immediately have the operation that they need. Funnily enough, they are put on a waiting list. Let us consider what has happened to those waiting lists. So that nobody thinks that the Conservative research department is painting a terrible picture, I add the caveat that the following figures are from the Government.

On 31 March 1997, the number of people in the Mid-Essex hospital services NHS trust area waiting 12 months or more for non-emergency hospital treatment was 104. The latest figures that the Government have produced are for 30 September 1998—after 18 months of a new Labour Government, under whom, apparently, there would be no problems with hospital waiting lists. They show that 1,155 people are waiting. The Secretary of State for Health suggested that the country should be thanking him for what he is doing on hospital waiting lists. Nobody on a list in my constituency has anything to thank him for.

[Mr. Simon Burns]

The Secretary of States says that waiting lists are coming down, so people might think that the peak has been reached and that the number of people waiting fell to 1,155 on 30 September. Not a bit of it. On 31 August, a month before, 1,063 people were waiting. Month after month, hospital waiting lists in the Mid-Essex area have increased dramatically, in utter contravention of pledges and promises given on the doorstep during the election campaign in West Chelmsford and throughout the country by the Prime Minister down to the most junior new Labour Back Bencher.

Mr. Fabricant: I want to probe my hon. Friend. Does he think that Labour candidates deliberately misled and lied to the electorate, or were they just naive?

Ms Ann Coffey (Stockport): Think about it.

Mr. Burns: Given my anger at what has happened to my constituents, I am thinking, first, that I do not want to use unparliamentary language and secondly, that even Labour politicians are basically decent human beings. I think that they were spun out of control by the prince of darkness and spin doctors in Millbank because they were desperate to get into power. They saw an emotive issue and milked it for all its worth.

Over the past few months, my right hon. Friend the Member for Maidstone and The Weald has highlighted the fiddle that has been going on in an attempt to remedy the political damage caused by the Government's appalling waiting lists. The Government cannot fiddle figures in my constituency for a very simple reason: the number of people waiting for 12 months or more for hospital treatment has risen so dramatically. Nobody can dispute that; even the Government have produced figures to show it.

Let us get under the skin of the figures: let us consider the numbers of people who are waiting to see a consultant following a GP visit—even before they are put on a waiting list for hospital treatment. They, too, are appalling. On 31 March 1997, the number of such people waiting between 13 and 25 weeks in the Mid-Essex area was 481. By 30 June this year—the last month for which figures for this category are available—the figure had escalated to 1,348. In March 1997, 74 unfortunate people were waiting 26 weeks or more to see a consultant, but by 30 June this year, the figure was 256. In only 14 months of a Labour Government, even the number of people waiting for more than 13 weeks to see a consultant rose from a maximum of 555 to 1,604. That does not suggest that new Labour is honouring its pledges to the people of the Mid-Essex area.

The total number of people waiting in Mid-Essex for hospital treatment for any period of time was 8,391 on 31 March 1997. The latest figure, 18 months after the Government came to power, having pledged to bring down waiting lists—unlike, apparently, the previous Government, who did reduce waiting lists—was 11,615. I repeat that those are not my figures.

In written answers, the Minister for Public Health happened to say—I welcome this—that North Essex health authority is working with the waiting list task force to see what can be done to meet its target of reducing waiting lists by 31 March 1999, which is almost two years after the Government came to power. That intrigued me; nowhere in the answer did it say what the target was. I thought, "Wonderful!" I thought that the Government must be so concerned that, according to the Sunday papers last weekend, the area has the highest waiting lists in the country, and so embarrassed about breaking their pledge that they are pouring loads of extra money and expertise into the area so that fewer people will have to wait than did when they came to power. I tabled some more questions. Hon. Members can imagine my disappointment when I discovered that that was not so.

I welcome any target that reduces waiting lists so that fewer people have to wait—and wait for less time—for hospital treatment. However, the Government's target is very modest: to reduce the figure from 11,615 to 9,738—about 1,400 people more than when they came to power. What sort of target is that?

I pray that we do not have a hard winter. As anybody who has worked or been involved at ministerial level in the health service knows, the winter crisis period is the most worrying time for the Government of the day and the NHS. If there is a harsh winter, the number of illnesses and of people needing operations rises dramatically. That is regrettable, and can throw even the best-laid plans for treating more people more quickly. Even if we ignore that consideration, however, the Government's target for waiting lists in Mid-Essex is incredibly modest. It is still the case that significantly more people are on the waiting list than when the Government came to power.

It is ironic that a Government and a Prime Minister who have made such a deal—day after day—about keeping their promises have not kept their promises to my constituents who are ill and need non-emergency operations and other hospital treatment. More and more of them are having to wait longer and longer under new Labour.

Let me say one more thing on this subject. I wonder what the West Chelmsford Labour party thinks. We have not heard a dicky bird from it on this subject over the past 18 months. I understand how ashamed it is, but one would have thought that its candidate at the last election—who happens to be a consultant in psychiatry in the Mid-Essex community and mental health trust working at Broomfield hospital, which is at the heart of the health trust area—might have had something to say. He made a big deal—citing his medical background when talking to my constituents on the doorstep and in his literature—of the fact that his party's Government, like a new Jerusalem, would cure my constituents' problem. The irony is that their problem is infinitely worse under his party's Government than it ever was under my party's Government. Under my party's Government, waiting lists were reduced in the Mid-Essex hospital trust area.

I realise that the Secretary of State who will reply is responsible for social security rather than health, but, because the Secretary of State for Health was not prepared to discuss the issue earlier, I ask him to give me some answers when he winds up the debate. I do not want to hear the usual platitudes about what the Government are doing.

I would be grateful if the Secretary of State would listen for a minute, rather than talking to the Whip about—presumably—an entirely different matter. He might then be able to give a specific answer to my questions.

Why have my hospital waiting lists lengthened? Why is the target for reducing them by March next year 1,400 higher than the target set by the Government when they came to power? Why has this happened under new Labour, which promised to reduce hospital waiting lists?

Let me now pick up an important point made by the hon. Member for Warrington, North. She spoke knowledgeably about mental health, and implied that, like me, she considered that for too long mental health services have been the Cinderella of the NHS. They have been underfunded and pushed aside by Governments of all political parties—

Ms Coffey: That happened under the last Government.

Mr. Burns: As I said, it happened under Governments of all political parties. Let me reply to the hon. Member for Stockport (Ms Coffey). Over the past five years, mental illness has been given much more recognition, and much more priority. More and more money was channelled into it as the Government tried to help to change attitudes, both in the medical profession—where, sadly, the wrong attitudes still obtained—and outside it. They wanted to break down the barriers, and to end the prejudices afflicting mentally ill people. I am sorry that the Queen's Speech contained no specific measures to deal with that, but I recognise that the Department and the relevant Minister are examining the whole subject of mental health.

I hope that arrangements regarding patients in the community will be tightened. I am not saying for a moment that caring for such patients in the community is the wrong policy, but I think that the policy should be improved in certain respects. One example that we have seen over the last few days showed, tragically, that something must be done—not, I hope, in a party political way. I look forward to hearing an announcement from the Department of Health. I hope that the Department will come up with a framework allowing people of all political persuasions to work together to improve the medical care and physical well-being of mentally ill people.

It is equally important for much more to be done—by us, using our positions of responsibility, but also by the medical profession and the voluntary sector—to end the horrendous prejudice that affects the mentally ill. Everyone sympathises with someone who has appendicitis or flu, telephoning and sending flowers and good wishes. The awful thing about our society is what happens to those with mental health problems. This tends to be forgotten.

All too often, because of the prejudice that they know to exist, relatives will try to hide the fact that a member of the family is suffering from a mental health problem. Far too few people will telephone, show genuine interest or send flowers. Mental illness is a stigma: it is something that must be brushed under the carpet. People suffering from mental illness are suffering through no fault of their own, like people suffering from flu. The barriers that have built up are unacceptable in a society that is heading towards the millennium.

I look forward to the Government's announcements, and hope that they will tackle many of the problems that desperately need to be tackled in the next few months.

7.57 pm

Dr. Alan Whitehead (Southampton, Test): I am pleased to see that the hon. Member for Lichfield (Mr. Fabricant) is present, and sad to see that the right hon. Member for Henley (Mr. Heseltine) is not. Both made interesting speeches. The hon. Member for Lichfield spoke of the recent history of the national health service, which is an interesting subject, although I did not agree with all that he said. He assumed that a background of common sense existed; I can only put it like that.

In what could kindly be termed a wide-ranging speech, the right hon. Member for Henley concentrated on best value in local government, and a number of associated issues. He demonstrated comprehensively that he had signally failed to understand the first thing about what the Government are saying about best value, assuming that his prejudices of many years ago still hold true. In discussing GP fundholding and best value in local government, both speakers implied that what they had suggested—suggestions that preceded the two proposals in the Gracious Speech—was common sense, and that the Government's proposals were, in some way, deeply ideological.

Interestingly, the right hon. Member for Maidstone and The Weald (Miss Widdecombe) could hardly contain herself before, after a few minutes, claiming that the GP commissioning bodies that the Government propose were aimed to collectivise the profession. It seems that Opposition Members are saying that they have adopted a commonsense position and that the Government are attempting to introduce ideology into the provision of public services. My view is that the contrary is true. The Government are attempting to undo the damage that was inflicted by the previous, deeply ideological, Government by the Acts that they introduced, which brought about compulsory competitive tendering, general practitioner fundholding and the internal market in the health service.

By way of evidence, I shall read a brief quotation from 1993 from William Waldegrave. I shall be interested to see whether anyone on the Conservative Benches nods when I read it. The right hon. Gentleman said:

"The key point is not whether those who run our public services are elected, but whether they are producer-responsive or consumer-responsive. Services are not necessarily made to respond to the public by giving our citizens a democratic voice, and a distant and diffuse one at that, in their make-up. They can be made responsive by giving the public choices, or by instituting mechanisms which build in publicly-approved standards and redress when they are not attained."

If any Opposition Members are thinking to themselves that that sounds perfectly fine and a reasonable argument, that demonstrates why the Conservative party so comprehensively lost the 1997 election and why it is so far out of touch with what the public these days are thinking.

The quote suggests, as have some of the contributions to the debate, that Opposition Members are still thinking about public services as if they are cans of pineapple—as if we can buy and sell them. They seem to think that they can be obtained off the shelf and that if they prove to be defective they can be taken back and the shop will replace them. They seem to think that it is all about customers going into stores and buying commodities.

I suggest that public services are not capable of being boiled down to the whims of the market. However, that is the course that the previous Government took in the

[Dr. Alan Whitehead]

public service areas that we are discussing. Those who required good public services in both health and local government had foisted on them GP fundholding and compulsory competitive tendering. Those policies arose from the assumptions that the market is always superior to the public service ethos; that competition would of itself sort out any problems that might arise; and that both would inevitably produce a better service.

Those who have argued that the Government would wish simply to remove the internal market from the health service and from local government should understand that the issue is not that competition is never right for public service provision. If, for example, I wish to organise the purchase of some textbooks or some roughbooks for a school, I can think of no better method than to specify what I require, obtain tenders and opt for the cheapest one, provided that it meets what my specification sought to achieve. That tender would win. However, as competition attempts to deal with issues that become ever more complex, it becomes increasingly apparent that we cannot apply it on the basis of one size fits all to the public service.

That is what happened in local government with compulsory competitive tendering. Whatever the circumstances were, the previous Government slapped on competition. That is what happened in the health service. The previous Government attempted systematically to introduce crude competition in the quasi-market that they sought to establish throughout the health service. Similarly, they introduced GP fundholding to try to make GPs subject to the market in the way in which they dealt with their patients and in organising their own practices.

It is interesting and instructive to examine the claims that were made against these systems and compare them with the outcomes. It was claimed that competition itself would solve the problems. We were told that GP fundholding would make more efficient use of services; break down bureaucracy; liberate doctors to enable them to take better decisions; and ensure better care for patients. We were told also that CCT would save us money and improve services at the same time. It is clear, a few years on from both those deeply ideological impositions, that there is no evidence overall that that has happened.

That is not to deny that many GPs have made a success of their fundholding practices within the terms within which they were required to work. Nor do we decry the idea that many local government employees have worked hard to win and hold the contracts that they were asked to bid and compete for in local government. However, if we look—

Mr. Eric Pickles (Brentwood and Ongar): Does the hon. Gentleman therefore believe Sir Jeremy Beecham, the head of the Local Government Association, when he said that there can be no doubt that compulsory competitive tendering brought much benefit to local government, increased efficiency and reduced costs? Is Sir Jeremy wrong in that assessment?

Dr. Whitehead: I was referring to the original claims which were made by those who instituted CCT. They talked about huge savings and huge increases in services. I have emphasised that many council workers have worked hard, with their local authorities, to ensure that, within the terms presented, to them CCT was a success in that services and efficiencies were maintained.

Several studies, particularly that of the London business school, have demonstrated, among other things, that if we take into account the transactional costs of CCT—those things that were taken out of the equation when the original claims were made by Government as to the successes that CCT would introduce—it is not possible to identify the savings that the previous Government suggested. Furthermore—

Mr. Pickles *rose—*

Dr. Whitehead: I ask the hon. Gentleman to bear with me while I make my point. I shall then let him intervene again.

If a service is removed from local government and taken into the private sector for contracting, there is strong evidence that costs arise once there is not a public sector yardstick against which the private sector can compete. Consequently, private sector cartels have arisen in the long term in CCT provision. There is strong evidence that there are such cartels among CCT providers. That is evidence that refutes the claims made by the original proponents of CCT.

Mr. Pickles: Sir Jeremy Beecham is a respected figure in local government and a respected member of the Labour party. Is he right or is he wrong? Yes or no?

Dr. Whitehead: I was attempting to set out for the hon. Gentleman the fact that the claims originally made by the Conservative Government about CCT have proved not to be right in practice. The result of the long implementation of CCT is that a number of things have changed. Sir Jeremy Beecham was reflecting that fact. If we examine the overall results of both fundholding and CCT, it is apparent that the results have been destructive in terms of public service delivery and ethos. Fundholding has introduced buying and selling into what should be a straightforward relationship between the doctor and his or her patients. Fundholding has led to a two-tier NHS, and the idea that the patients of those who did not opt for what Conservative Members assured us was a voluntary move to fundholding are not treated in the same way as fundholding doctors' patients.

Fundholding has undoubtedly led to a large increase in bureaucracy, not only within GPs practices, but because transactions outside GP practices have had to be accounted for within the internal market that has been created within the NHS. It has led to additional duties for doctors. They have had to run what, in effect, are small businesses, when many of them wanted to ensure that they delivered the best possible medical service to their patients.

Fundholding has led to decisions on patient lists and on drug availability that set the market and doctors' clinical judgments against each other. Although the evidence points in many directions, the suspicion remains that in some cases, in order to balance the books, some fundholding practices appear to have attempted to remove from their lists patients who proved to be costly, awkward or difficult. All those outcomes contradict the basic idea of what a doctor's relationship with his or her patients should be.

Compulsory competitive tendering has led to the effective casualisation of much of the local authority labour force. It has made local authorities unable to respond effectively to the needs of their communities once contracts were fixed. If the material circumstances changed, if the local authority wished to take a different role in its relationship with the community, or if the community made different requests of the local authority, nothing could be done, because the contract had been given out and that was the end of the matter.

CCT deeply damaged the democratic process, as it was unclear who was responsible for a particular service. I know of many instances in which members of the public experienced great frustration when they went down to the town hall to complain and were passed on, properly, to a contractor who they did not believe had anything to do with the service. When they sought redress, they were told that the contract had been given out, the matter was the contractor's responsibility and they must deal with the contractor.

As I said earlier, CCT led to the development of large transactional costs as the client side monitored the process of tendering and policed its outcome, whether or not the internal labour force won the contract or the contract went out to an external organisation.

All those destructive effects will be avoided through the measures announced in the Gracious Speech. The development of primary care groups will enable various professionals—not just doctors but, as we have heard, nurses and some specialties—to become involved at local level. We know that the multifunds—forerunners of primary care groups that were set up in Southampton—brought in specialist clinics to allow the participation of various specialties at immediate ground level, enabling them to co-operate to provide a better service.

Instead of competing, GPs and other primary health carers will be able to collaborate in the running of services. Resources overall will be used to best advantage. Best value will allow local authorities to engage in the method of service delivery most suited to the service, the area and a productive dialogue with the local community. Any business man understands that much better results will be obtained from a long-term relationship with a contractor, whoever that may be, by growing and altering the contract according to how he wants the service to develop, as opposed to the regime of the brown envelope, which destroys everything that has been achieved and makes it necessary to start all over again.

Local government will be reconnected to local communities. Before a service is decided on, local government officials will have to discuss with the community what the targets are and how the service should be delivered. The local authority will be required to justify to its community and to the Audit Commission—a fact that was apparently unknown to the right hon. Member for Henley—what the service will comprise.

I congratulate the Government on introducing these measures, which demonstrate that at last we are out of the dark tunnel of dogma which, for the past decade and a half, has plagued the provision of much-needed services. The measures will restore to public service professional pride in providing good services, using all the skills and imagination that we know public service professionals possess. The public will get good services from management that is responsive to the needs of the community. The Gracious Speech represents a good day for public service and demonstrates that the Government are determined to make sure that what works best for the community will form the basis of their legislative programmes in the future.

8.15 pm

Mr. David Rendel (Newbury): Welfare reform is heralded as one of the central measures of this year's Queen's Speech, and has been heralded as one of the Government's principal measures, so I am rather concerned that there was nothing in the speech about some of the most important aspects of welfare reform.

One example is the issue of compulsory second-tier pensions, which I believe is still unresolved in the Government's mind. As my hon. Friend the Member for Roxburgh and Berwickshire (Mr. Kirkwood) pointed out, there is no mention in the Queen's Speech of the Child Support Agency. I hope that that was an unfortunate omission.

Where are the means of tackling poverty, social exclusion, and health and income inequalities? Other hon. Members have noted that those are also omitted from the Queen's speech. I would have expected the Government to begin to tackle those issues.

The Liberal Democrats support the principle of welfare reform because we believe that the current system contains a number of significant deficiencies. It traps people in benefit, yet it fails to deliver effective help where it is most needed, not least because of the sheer complexity of the benefits system. As we have heard, there is the continuing problem of fraud and the waste of money that it causes.

However, we reject the argument, to which the present Government and the previous one were happy to subscribe, that there is a spending crisis in social security. We should never forget that in Britain we spend rather less on social security than most of our competitor countries in Europe. The real problem of welfare spending is not that we are spending too much overall, but that not enough of the money reaches those in greatest need.

The Secretary of State's answer is to repeat the phrase

"work for those who can and security for those who cannot"

so often that it is beginning to sound like a mantra. He must grasp the nettle and make the basic philosophical decision, which he and his Government do not seem to have made yet, whether to extend means testing, with all the associated disincentives to work and to save, or whether to focus purely on getting people back into work. His Government will not make real progress with welfare reform unless and until he and they make that decision.

I shall deal with the Bills proposed in the Queen's Speech. The publication of the Bill to introduce the working families tax credit will, I hope, clear up many of the detailed concerns that we and others still have. The Liberal Democrats are concerned that the Government still does not know how they will deliver the credit. For example, how will it work for someone who has several employers?

Although the principle may be laudable, where is the evidence that tax credits are a positive work incentive? Evidence given to the Select Committee suggests that the Government are acting on a hunch. Tax credits have not

[Mr. David Rendel]

always worked in other countries. I was surprised to discover that the Tories oppose the measure. After all, they planned to introduce a similar credit in the 1980s, but failed to do so when they could not overcome the arguments about purse-into-wallet transfers and the large burden on businesses. Sadly, the Labour Government have not solved those problems either. It is sad that they have taken up a failed Tory policy, but it is ridiculous for the Tories to claim that they want nothing to do with it.

On the cuts in benefit that will result from some of the measures in the Queen's Speech, the changes to incapacity benefit are a clear example of the Government's gradual abandonment of the contributory principle. Means-testing incapacity benefit claimants who have occupational pensions simply punishes those who have made provision for their future. Do we want to provide such a disincentive to saving? The cuts involved, which represent a real loss of cash to people who may have considerable medical problems, are huge. Let us compare that with what the previous Secretary of State said.

On 28 March 1997, following a meeting with the all-party disablement group, that group and the then Secretary of State issued a joint press release which stated:

"The savings to incapacity benefit would come through getting more people into work, not through reducing the level of incapacity benefit, or entitlement to it."

What a contrast that is.

Mr. Vernon Coaker (Gedling): My experience in some of the mining communities in Nottinghamshire and elsewhere is that incapacity benefit was used as a convenient way of getting people out of mining [illegible] without sacking them. If that was one of the ways in which incapacity benefit was used, it is not unreasonable to consider how it works and to see whether that can be improved.

Mr. Rendel: Looking at the way in which the benefit works is different from cutting it off from those who need it.

My next concern is the decision to restrict the severe disablement allowance to those disabled before the age of 20. That measure will cause great financial hardship for students and others who have become disabled after the age of 20, who, legitimately, have not been in a position to pay any national insurance contributions and thus obtain incapacity benefit. There will be several in that position. Even if the Government do not reverse the measure, I hope that they will at least think of increasing the age limit at which that cut-off comes so that those who have not yet reached the stage of earning and paying national insurance contributions are not hampered by the measure.

If the Government go ahead, that is another area in which they will be forcing more people on to means-tested benefits. That reform alone will force 70 per cent. of those previously eligible for severe disablement allowance on to means-tested benefits. Furthermore, despite the Government's claim to be women-friendly, the measure will penalise a disproportionate number of women who comprise some two thirds of those who claim that allowance.

More welcome is the measure to extend to widowers the benefit that currently goes to widows. There is no case for discriminating between women and men in this area, and it is therefore of little credit to the Government that they had that change of mind only when forced to do so by a case in the European Court.

There are aspects to the changes to widows benefit about which I am concerned, as I hope all hon. Members are. Not least is the fact that the Government seem so desperate to make savings that they will penalise the recently bereaved. In particular, to limit the new bereavement allowance to just six months is far too short. Losing a spouse is about the most traumatic of all life events, and those who do so unexpectedly in middle age need a decent period of adjustment before they can be expected to stand entirely on their own feet again. It can be difficult for widows who are not working at the time of an unexpected bereavement, suddenly to have to re-enter the job market successfully, and the measures make no real allowance for that.

A widow wrote to me recently expressing her concern about the changes and how they erode the contributory principle. She said:

"After 24 years of marriage, my husband died leaving me a widow at 50 . . . I was absolutely devastated. There is just no way I could have gone back to teaching and frankly would have had no chance of being employed at that age, having been out of touch. My widow's pension of £90 per week was an absolute lifeline. My husband had, after all, paid all his NI contributions and SERPS all his life and was to receive no pension in return, due to his early death."

We welcome the provision of a one-stop shop as part of a single gateway to benefits. The current system fails to deliver effective help to many people precisely because of the complexity of claiming different benefits with different rules from different offices. But a gateway can be one of two things. It can open up access to the land beyond, or it can be used to close off a bottleneck and to prevent access. We will welcome the gateway if it opens up access to benefits, but not if it is used merely as a mechanism for denying benefits to claimants.

While the measure has the welcome effect of narrowing the possibilities for fraud in the system, we are concerned that, by refusing benefit until an interview has taken place, many vulnerable people may be left without money at a time when it is most needed. The introduction of the element of compulsion may well undermine any good will towards the welfare-to-work schemes and discourage co-operation.

The establishment of a disability rights commission is welcome, but long overdue. The Liberal Democrats have been calling for such a commission for many years, and we hope that the Government will give it the power that it needs to do a good job and to ensure that real progress is made.

I come now to what is missing from the Queen's Speech. We still await the Green Paper on pensions. We have been waiting for it for many months. There are some who think that we will be earning our own pensions before it is published. The problem seems to be that the Government remain determined to postpone a decision on whether to introduce compulsory second-tier pensions.

Will the Secretary of State make it clear to the Chancellor, who I believe is the current stumbling block, that there is a significant difference between compulsory

savings put into a fund for an individual's own retirement, and compulsory taxation used for current Government expenditure. The Chancellor needs to appreciate that crucial difference.

We are also disappointed that there is no mention of a draft Bill to reform the Child Support Agency. That may be because the Government intend to take more time to listen to the concerns being voiced about their proposals. I hope so. Will the Secretary of State assure me that the draft Bill will go to the Select Committee on Social Security this Session, despite the absence of any such pledge from the Queen's Speech? It is important that we have the opportunity to put right the wrongs associated with the current Act, and that we are not simply expected to go along with the Government's plans.

What about the 6 million carers in the United Kingdom who provide support worth around £34 billion a year? Despite manifesto commitments, there is no mention in the Queen's Speech of the introduction of a citizenship pension, which would help those carers who cannot make provision for their own second-tier pensions.

One point which has not so far received much attention is the size of this year's proposed cuts in benefits, which is far greater than those which were threatened last year. Last year's smaller cuts were, for the most part, reversed by the previous Secretary of State, in many cases before they had even taken effect, although not in the case of the lone parent benefit cut. This year's cuts amount to a much larger sum—some £1.25 billion.

I look forward once again, I hope, to enjoying the support of Labour Back Benchers in trying to reverse some of the cuts, as we did so successfully last year with the enormous revolt against the cut in lone parent benefit. Perhaps this time we can overturn some of the proposals before the Government get themselves so hopelessly stuck in a corner that they find it difficult to get out without embarrassment, as they did last year.

Health and social security are both areas where there are major differences between the Liberal Democrats and the Government. I can assure the Government that they will have our support on matters on which we agree, but my team will most certainly oppose the Government whole-heartedly on matters on which we do not.

8.29 pm

Mr. Stephen Hesford (Wirral, West): There are a number of reasons why I feel moved to speak tonight—

Mr. Pickles: Because you were told to do so by the Government Whips.

Mr. Hesford: I have not sat here as long as I have for that reason. Opposition Members may laugh, but I notice that no shadow health spokesmen are present at the moment. None of those hon. Members whose speeches I intend to examine in a moment is present.

There are a number of reasons why I need to speak on health matters. It is the 50th anniversary of the NHS—an important event for this country. In my constituency in the summer, I was honoured to welcome current and past hospital and community service staff to an event. The thousands of local people who turned out at the fair based around that event showed that the British people have the well-being of the NHS in their hearts.

Another reason why I wish to speak on health matters concerns what the electorate were telling me prior to the election. I represent a constituency that was not a Labour seat before the election—indeed, it had never been a Labour seat until the election. One of the reasons it became a Labour seat for the first time was that previously lifelong Conservative voters told me that the NHS was not safe in the hands of the Conservative party.

The subject of the debate shows the genuine divide between the Government and the Opposition, and the debate has been illuminating for a young Back Bencher to behold. I have altered the nature of my speech to deal with the manner of the Opposition in this debate on the Gracious Address. I will not take the mock horror and concern that the right hon. Member for Maidstone and The Weald (Miss Widdecombe) showed when her hon. Friend the Member for West Chelmsford (Mr. Burns) was talking about increasing waiting lists—and, more importantly, neither will my constituents. Nobody was fooled.

The fact that the right hon. Member for Maidstone and The Weald was chosen to lead on health for the Opposition demonstrates without qualification where the Tory party stands on the health service. The tenet of her rant—I hope that that is parliamentary language, Mr. Deputy Speaker—was to put the frighteners on. What was her purpose in trying to do that to my constituents, including the many who were previously lifelong Tory voters? She knows that, at the last election, the Tories were spotted on health, and had come to the end of their tether.

The right hon. Member for Maidstone and The Weald said that the Government's proposals—which I welcome, and to which I hope to return—would cause top-to-bottom turbulence. She and other Opposition Members were showing selective amnesia, and should think back to the absolute turbulence caused by the reforms of the previous Government. In an intervention on the hon. Member for Lichfield (Mr. Fabricant), my hon. Friend the Member for Southampton, Test (Dr. Whitehead) pointed out that, in 1982-83, the Conservative Government tried to reform the NHS. The hon. Member for Lichfield had to accept that those reforms failed.

The general public—and, no doubt, some hon. Members—will have a longer and less selective memory than Conservative Members. They will recall the sad case in Birmingham around 1986-87, when a baby died because it could not gain admission to the right hospital at the right time. That caused consternation in the Conservative party and was the cause of the National Health Service and Community Care Act 1990, which forced fundholding and the internal market upon us. It was politically expedient. My hon. Friend the Member for Southampton, Test used the words "ideologically driven," and he was right.

It is a bit rich for the right hon. Member for Maidstone and The Weald to say that we are the cause of the turbulence. Not at all. The electorate asked us to sort out the health service, and that is what the proposed legislation will be about. Other hon. Members have referred to that matter, and I hope to return to the subject.

The right hon. Lady attempted to frighten my constituents by saying that people are still on trolleys. Whether or not that is the case—the right hon. Lady was able to give only two examples—the general public

[Mr. Hesford]

and hon. Members know who invented that process. From where did we inherit that problem? If a few hospitals are still in that situation—I will not comment on the right hon. Lady's examples—it is because, after 18 months, we are still trying to get at the backlog that was created under the previous Government. Their arguments will not wash.

The right hon. Lady was selective in her use of statistics, which was not very sophisticated. She said that, in a British Medical Association opinion poll, 55 per cent. of general practitioners stated that they did not want anything to do with the running of primary care groups. Any scrutiny of that sentence gives it away—all it means is that many in the profession do not want to be on the boards. It does not mean that they do not agree with the primary care group proposal. The House will know that PCG boards will not be large and, by definition, not many GPs will be able to have anything to do with their running.

The right hon. Lady talked about levelling up and not levelling down in the context of GP fundholding. She attempted, and failed, to make the point that GP fundholding was designed to improve services for everybody. What happened in practice? The right hon. Lady and the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) can have no hiding place on this topic. Fundholding has been in place for seven years, and during that time just over half our GP practices went for, or said that they intended to go for, fundholding.

Where was the ringing endorsement after seven years? Why was there a delay in practices switching to fundholding? Why did the Conservative Government have to change the rules time and again to try to get people who were not really willing partners to join in? By the end of the seven years, there were four different versions of GP fundholding. Many GPs have told me that they signed up to the last wave only because there was an unconvincing inevitability about it. They did not want to do it, but they felt that they had to.

There was no levelling up because, crucially, fundholding created a two-tier system, setting GP against GP and making planning difficult. The system was expensive and bureaucratic, and patients in one part of my constituency could do this, that and the other at the local hospital, while those in another part could not. That had to be ended. The Government will end GP fundholding, and not before time.

Conservative Members, unlike my constituents, do not understand the significance of the general election result—it meant that the Conservatives could not and cannot be trusted on health. I shall give a brief history of the Tory philosophy on the NHS. In 1945 and 1948, they voted against it. In the early 1950s, having returned to power, they set up the Guillebaud committee to consider the funding of the health service. That Tory Government expected the committee to say that the funding could not be afforded out of general taxation and to recommend another form of funding—in other words, a dismantling of the NHS.

Mr. Quentin Davies (Grantham and Stamford): Will the hon. Gentleman give way?

Mr. Hesford: No, I want to make progress.

To the surprise of the then Tory Government, the committee said that funding out of general taxation was the best form of funding and that the health service gave very good value for money. Let us fast forward to 1997. What was the state of affairs on funding? The figures that we inherited show that in 1999–2000—*[Interruption.]* Conservative Members may laugh, but these are their figures, showing that there would have been a real cut in NHS funding if the Tories had returned to power.

The hon. Member for Southwark, North and Bermondsey (Mr. Hughes) asked the right hon. Member for Maidstone and The Weald about funding the NHS with private money, and the hon. Member for Poole (Mr. Syms) seemed to say that it was Tory policy. If my analysis is at all correct, the divide between the Conservative and Labour parties is such that, if the Tories had won at the general election or were—inconceivably—to win at the next one, there would be only a safety net. The NHS would not be funded out of general taxation to be there at the point of need, without requiring payment. My constituents—they realised this at the general election—would be left with a safety net that dealt only with emergencies, geriatric care and mental health: the services that the private sector does not like.

My constituents saw through the Tories at the general election and they see through them now. Tory scare tactics will not work. The Tory party is in desperate need of publicity. It is for others to decide whether the right hon. Member for Maidstone and The Weald is seeking publicity for herself and whether her party is seeking credibility because it has no profile. Tory tactics did not work at the general election and they will not work at the next one.

8.48 pm

Dr. Peter Brand (Isle of Wight): We have been promised changes in the benefits system. I make a plea for a change in attitude in the benefits system delivery. As a GP, and now as a Member of Parliament, I have been amazed by the insensitivity shown by some of those who administer the system. The medical division of the Benefits Agency seems hellbent on giving people just one point less than they need to qualify on the all work test. The staff should realise not only the anxiety that is created for their clients—and my patients—but the danger into which they sometimes put them.

Over the past 18 months, I have seen three cases of that. One was a man who used to work as a builder's labourer, who had no other qualifications. He had had one heart attack and coronary grafting, and he still had unstable angina. A doctor from the medical department of the Benefits Agency found him fit for some sort of work. The agency withdrew that classification only when I asked it which doctor would represent it at a coroner's court should the man drop dead because of the advice given by the agency.

The same happened to a man who had worked as a gas fitter. He had an unstable neck, surgery had failed, and he was becoming paralysed from the waist down, but he was considered to be fit for work. That is clearly nonsense, and shows the insensitivity and the poor clinical skills of some of the doctors employed.

Most recently, last week, I saw the husband of a lady who suffered from Alzheimer's disease, who had just had an application for night-time attendance allowance

turned down. The lady became severely confused day and night, and she was taking a small dose of tranquilliser four times a day. The written report from the adjudication officer suggested that she could be adequately sedated at night so that she would not be a problem. That report was written by someone without medical or nursing qualifications, as far as I could see, and it is not their role to give advice that is dangerous as well as incorrect.

I am concerned that the trend in the medical division of the Benefits Agency seems to have worsened since it has been externalised. I urge the Government to review the decision to privatise that aspect of the agency's work. We have heard much today from Labour Members about the dangers of private medicine and privatisation, but I was surprised that the Government have continued the policy of externalising an important medical input into many people's lives.

I am not against private medical services, because they have a role to play. However, I am concerned that the development of an NHS with core services that excludes certain aspects of medical care may, overtly or more subtly, drive people to the currently unregulated private sector. Examples of such services include cosmetic surgery, counselling and psychotherapy, slimming clinics and infertility clinics. The best recent example is probably the treatment of erectile dysfunction—the great Viagra story—which is a wonderful illustration of the fact that the present regulations do not make sense if we want to deliver the best treatment for patients in the NHS.

The Secretary of State for Health has issued an edict, not backed by any regulation, that Viagra shall not be available on the NHS. The people who execute his edicts have taken it a stage further. For example, my local director of public health wrote me a letter saying that, if I prescribed Viagra on the NHS, he would take every step possible to recover the cost of the prescription from me personally. No regulations exist that allow him to do that. He could take me to a tribunal only for irresponsible prescribing, but Viagra is a licensed drug with a proper purpose.

We are dealing with a bit of bullying and bluffing, but that story illustrates an important point. Technically, I cannot prescribe Viagra, which is a useful drug, on a private prescription for my patients. The official advice is that I should see the patients, and then send them to see someone else to get the prescription. That is not in the interests of the patients or of efficiency.

It is hard enough for patients to come and explain that they have a problem, and they want to sort it out with a doctor they know. If we drive them into the private sector, we will cause problems. We have seen how awful some of the clinical outcomes of cosmetic surgery are, and we have seen the irresponsible behaviour by many slimming clinics. We must consider the regulations, and, even if the NHS is not prepared to pay for certain treatments, ensure that those treatments are still available through the NHS, so that patients are supported while their treatment is carried out.

It is not a problem to suggest that some treatments, such as life-style drugs, should be paid for. People are prepared to pay for such treatment, as the clinic at Euston station shows. One can get Viagra from the Euston clinic if one is prepared to pay £120 for a consultation and a few pills.

Mr. Coaker: It is more than that.

Dr. Brand: I hear it is more expensive. People used to go to King's Cross to get advice on erectile dysfunction from the shops round there, but they now go to Euston station. The present regulations do not make sense, and I hope that the forthcoming legislation will address the issue of what may be prescribed through the NHS, even if the NHS does not pay for it.

8.56 pm

Mr. Vernon Coaker (Gedling): It is a good job that we do not always take everything that happens in the House personally. I saw the Whip talking to you, Mr. Deputy Speaker, and I thought that I would be told that I was no longer needed.

The Gracious Speech contained much to be commended on health and welfare. Although we all recognise that the primary care group proposals present certain problems, they are radical because they will bring together doctors and nurses with health visitors, community workers and housing workers to tackle health inequality. That will be complemented by the setting up of health action zones.

The hon. Member for West Chelmsford (Mr. Burns) made some good points about mental health. He is not in his place at present, and I should be grateful if his hon. Friends could pass on my remarks to him. Families find it difficult to seek help, but the individuals who suffer from mental health problems often wish to hide the fact. The more all of us—this is not a party political issue—can talk about some of the difficulties that mental health problems cause many people, the better. All ages, from young people—as I know from my teaching experience—to old people, can suddenly develop a mental illness. It is a huge problem. Everyone will agree with the points that have been made about mental health.

I will focus on welfare reform, which is a huge issue. I was pleased to see the Chairman of the Select Committee on Social Security here, as I very much enjoyed my first meeting yesterday. It was a purposeful meeting, at which we tried to build a consensus, which is often more helpful than the inevitable ping-pong—in which, no doubt, I shall myself engage later. I commend the Government for grasping the nettle of welfare reform. Ask anyone whether the welfare state works. Few people, if any, would answer that it does. Most accept that reform is needed.

The problem, of course, is identifying what reform we need, and how to go about it. That is difficult. The welfare state was set up 50 years ago, and longer ago in some parts of the system. During that time, there have been huge changes. People live longer now. The retirement ages are 60 and 65, and people often stop work before that. Working patterns have changed, and people move in and out of work. More women work. Many people care at home for long periods, and they are unable to contribute towards benefits. The welfare state is important to us all, but it needs fundamental change.

The welfare state was not initially set up as anything more than a safety net. Now, however, some people live off the welfare state. That has become a life style. I do

[Mr. Vernon Coaker]

not believe that that sort of dependency was what the architects of the welfare state wanted, or thought desirable. Without engaging in fundamental change, we may damage some of the central planks of society.

Change, of course, is difficult. Modernisation is difficult. The Government are often accused, even by people who support me in my constituency, of not modernising with principle, but I think that they have very clear principles. They are grappling with difficult issues in trying to modernise according to those principles. That is not easy.

I do not believe that the Secretary of State sets out to make people poorer. I do not believe that he sets out to make life worse for disabled people, or that he sets out to attack the sick. However, when we listen to some of the debate on welfare reform, those accusations seem to be made. In my view, people who want no change, and who have a vested interest in keeping things as they are, attack my right hon. Friend and those who try to change the system in order to undermine the real changes that are needed.

The Gracious Speech offered a beginning. It did not cover everything. I accept that, and the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) may well say in a moment that some matters were missed out. However, the Queen's Speech contained a large number of measures, others have already been enacted, and more are on their way. The important thing is that the Government are determined to reform the welfare state in a principled way.

We must ensure that those who need help receive it, but we must also face the fact that, without fundamental change, the people who are poor now will be poor in 20 or 30 years' time. One of the most depressing things at my surgeries—this must be so for all of us, of whatever party—is that I see people who are desperately poor, and I know that their children will be in exactly the same situation in 20 years' time. That is immensely frustrating and emotionally sad, for want of a better way of putting it. If we continue to defend the welfare state as it is, we condemn those people to that future. In reality, the welfare state fails them.

We must have a more mature debate on many of these issues. Otherwise, we are arguing about defending the poor, the sick and the disabled, but using them as party political pawns, and doing nothing to help them. My right hon. Friend the Secretary of State and the Government have started to grasp some of those very real nettles, in the face of determined opposition even from some Labour Back Benchers. That nettle has to be grasped.

A number of other measures mentioned in the Gracious Speech are important, and should command widespread support. The establishment of a disability rights commission is long overdue, and I think that everyone will welcome it. We look forward to finding out exactly how it will work, and the way in which the idea will be developed.

The shake-up of disability benefits is also important. We have enacted legislation to ensure that people with disability must be included. We must try to encourage them and consider what they can do. The fact that someone is in a wheelchair or has a disability does not mean that he or she cannot contribute. Indeed, their contributions are often fantastic. I am sure that many people with disabilities could floor me when it comes to using information technology and such like.

Surely we should be asking how we can use their talents and abilities, and bring them into work, so that we can create a better society. It is a shame that, when we talk about such matters, the debate often degenerates into an argument about whether the Government are trying to force people who are terminally ill or can do hardly anything to go out to work, as if that were the real aim of the reform, when it is nothing of the kind.

The single gateway—the idea of compulsory interviews for benefit—is another important reform. For too long, people have got benefits passively. If they have fitted set criteria, they have received benefit. The gateway is a means of making the system more proactive. It will be concerned with the totality of someone's needs, whether those are child care or training, as well as with benefit. That is a positive way forward.

The measures to try to make work more rewarding and to show that going to work can be attractive, both for the individual and for the pay packet, are important. The working families and disabled persons tax credits, as well as the child care tax credits that go with them, are important ways to move the debate forward and they will help more people.

Again, there will be practical problems with implementation. Issues remain to be resolved and difficult problems to be overcome, but that does not mean that the concept is wrong. One can argue whether it is a good or a bad idea, but often people say, "It is a good idea, but this is the problem with it." Let us overcome those problems if we think that it is the right way forward.

I am delighted with many of the measures in the Gracious Speech. It is important that the Government are determined to reform the welfare state, not so that people who are in genuine need are excluded, or as an attack on the poor, the needy or the sick, but to ensure that, when we debate this issue again in five, 10 or 15 years—as we undoubtedly will—we will have started to attack poverty and social exclusion. If we merely defend the existing welfare state and the system as it stands, we are condemning many people to remain in poverty and socially excluded. Sometimes we need to be more mature in debate, and to get behind the real issues underlying welfare reform. We need to join the Government to ensure that we build a more equal society. We shall achieve that not just by redistributing wealth from the rich to the poor, but by ensuring that everyone has access to opportunity and can make the most of those opportunities. That is the way to offer real prospects of inclusion in society and to enable people to make the most of their abilities. That is the way to tackle social inequality and exclusion.

9.10 pm

Mr. Iain Duncan Smith (Chingford and Woodford Green): This has been a long and fascinating debate. I am sure that the Secretary of State will agree that, as ever, we are in the peculiar circumstance of both winding up and leading off on a completely separate debate—linked but different. Obviously, I want to talk about welfare reform and social security in particular, and I expect that the Secretary of State will want to do the same, but clearly some of the contributions from both sides of the House require, rightly, some reference.

My right hon. Friend the Member for Henley (Mr. Heseltine) made a powerful, fairly broad-ranging speech, much in character. He is a man who has been noted in the past to prefer the broadsword to the rapier. In this case it was a fistful of broadswords, and dynamic, too. It was nice to see him back after a short absence from the Chamber.

The hon. Member for Southwark, North and Bermondsey (Mr. Hughes), who is not in his place, made several points. Of most interest to this side of the House was his point about how there has always been rationing in the NHS. *[Interruption.]* Here he is. He spoke boldly about rationing, and reaffirmed, I think from a sedentary position during my right hon. Friend's speech, that there has always been rationing. He said that we must recognise to what extent that has been the case, rather than play games around it. That was a powerful point and well made.

My hon. Friend the Member for Lichfield (Mr. Fabricant) made a good speech. He was proud to announce that all his area was covered by GP fundholders, and believed that they were proud of it. I would be, too. I have a large number of fundholders in my constituency, and I know that the system has worked. The Government should build on that system rather than tear it down, but that is a record for another day.

My hon. Friend the Member for Vale of York (Miss McIntosh), before she departed to talk about turkeys—I do not intend to follow her down that road, and would have some difficulty in recognising how we got there—made the important point that much of the change to the commissioning process will add to bureaucracy and create the costs from which the Government say they will save money. That in turn will create problems. She made the point particularly well.

As ever, I listened with great interest to the speech of the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), the Chairman of the Select Committee on Social Security, whom I see in his place. He is one of about three Members who referred to social security and welfare reform during the debate. He had to, the hon. Member for Newbury (Mr. Rendel) had to as well, and the hon. Member for Gedling (Mr. Coaker) did, although he did not have to—I shall come to him in a second.

Among other points—I shall come to them in the course of my speech—the hon. Gentleman spoke about working families tax credit and means testing. Powerfully, he asked the serious question: where are we going on means testing? I think that there is clarity now; he says that there is not. I shall be interested to hear what the Secretary of State says in reply.

My hon. Friend the Member for Poole (Mr. Syms) made a powerful plea for haemophiliacs to be treated specially, particularly those who suffer from hepatitis C. I hope that the Secretary of State listens to that heartfelt point.

The Member for Warrington, North (Helen Jones) said that she was a child of the health service. Most of us would admit to that, and proudly so. She seemed to want to attack the Conservative Government on their process of spending on the NHS. She glossed over the fact that health service spending in real terms fell under the previous Labour Government for the only time in its 50-year history.

My hon. Friend the Member for West Chelmsford (Mr. Burns) made a detailed speech, giving chapter and verse. He asked a series of questions—I know that Ministers who were present will have taken them down and passed them to the Secretary of State for answer; I hope that he has them—about how waiting lists have risen inexorably in his constituency. I thought that he spoke powerfully. Perhaps his most powerful point concerned mental health. On that, the hon. Member for Gedling (Mr. Coaker) made an excellent speech, showing that he cares about welfare reform. He said that he agreed with my hon. Friend that mental health is seen as a Cinderella, and should be treated more seriously.

I agree with the hon. Member for Gedling in one sense: no one should accuse the Secretary of State—as some did in the previous Parliament—of being out to crush people into poverty. No one in the House could or should be accused of wanting to do that. There are clear differences about approaches to solving problems, to which I shall come in a moment. I do not make such a charge. Whatever the Secretary of State is doing is done in good faith. He believes that he is right. He is wrong, but we will hear more about that dispute in due course. I do not believe that there is a hidden agenda to produce more poverty.

Only three hon. Members spoke on social security and welfare reform, mostly on the same aspect. It is worth quickly reminding ourselves—I do it endlessly—what the Prime Minister said before and just after the general election. On 7 April 1997, he said:

"as we get the welfare bills down . . . then we can release more money into education and health and the services where we really want them."

After the general election, he said:

"I have asked Ministers at the Department of Social Security to look in detail at how we can make far-reaching reforms that tackle insecurity and poverty as well as reducing the social security bills."

It is not fair to judge the Government on someone else's agenda; we must judge them on their own, and find out when they will meet their pledge or whether they will meet it at all.

We must start by asking exactly what the Government took over in budgetary terms that underscored the Prime Minister's commitment. His commitment was based on what was clear in the Red Books then and now: the budget for social security as a proportion of gross domestic product was falling. In the last financial year, it fell by 1 per cent. Over three or four years, the budget was on a downward trend. The Government admit that, and it is in their Red Book. The social security budget was stable in the short term, and, to all intents and purposes, under control.

When we set the Government's forecast for social security spending against what they set themselves as a target, we see that, in the first year in which their policies really come into effect, 1999–2000, the budget leaps by 5 per cent., and that it goes up over the following three years in their general spending programme, pushing social security spending up to around 13 per cent. of GDP by the end of the Parliament. That does not cover falling growth rates. If the growth rate falls below one 1 per cent., the figures will go up, because, as the Secretary of State knows, it is a demand-led budget.

The total increase over three years to the end of the Parliament is £37 billion, which matches health and education spending, calculated in exactly the same way.

[Mr. Iain Duncan Smith]

That does not fit with the Prime Minister's rhetoric when he first took over and made those serious pledges. We must consider what the Government have done to arrive at this position.

First, there are the Government's proposals, some of which have already been implemented, relating to the spend-to-save programme. The problem is that much of that is already beginning to fail. Let us remind ourselves what the Chancellor said in 1997:

"Central to Labour's medium-term approach to public spending must be radical reform of the welfare state . . . to unlock the possibility of reducing social security costs".

Like the Prime Minister, the Chancellor links social security costs to other spending. However, when we look at what the Chancellor and the Prime Minister have allowed to happen, we see that they have presided over an increase in spending.

There is the £5 billion for the new deal, including the new deal for lone parents, which was raised through a windfall tax. We are now discovering, bit by bit, that the programme is failing to achieve its objectives. The cost per job, as stated in the press today, across all programmes is about £11,000; and the forecasts for the next three years suggest that that is likely to be the case until the end of this Parliament. In addition, about 25 per cent. of those who enter work through new deal programmes are out of work again within six months. It is clearly not a fully sustainable programme, but it is an expensive one, which is beginning to fail.

The second part of the equation, which has yet to be implemented but is included in the Queen's Speech, is the working families tax credit. As the Government admit, that is clearly set to increase spending by £1.5 billion a year. The Government tried to move that figure out of the social security budget and into accounting adjustments, but no one, including the House of Commons Library, believed that that was the right way to go about things, so that sum has been put back in, and we can see that it raises social security spending, not lowers it.

The Labour manifesto stated:

"And because efficiency and value for money are central, ministers will be required to save before they spend. Save to invest is our approach, not tax and spend."

Yet when have the Government ever given us their targets for savings, in line with that manifesto pledge? Perhaps the Secretary of State for Social Security will enlighten us. How and when will the Government cut the cost of welfare, and by how much? That is important, because it was a manifesto pledge, so I should like to know how they will do it. Perhaps the Secretary of State can tell us.

If there are no targets—no departmental targets, no Treasury targets—how can the voters who elected the Government in 1997 have any confidence that the money they are spending under the spend-to-save programme is money well spent? Without targets, spend to save will rapidly become an incomplete equation—or, more likely, a case of spend to tax. That is the exact opposite of what the manifesto promised.

The spend-to-save strategy clearly implies that the Government must save more money than they spend on their new programmes. If they spend £5 billion on the new deal and a further £1.5 billion per year on the working families tax credit, surely the Secretary of State agrees that they will save at least that amount during the lifetime of this Parliament before moving on to fight another election—or perhaps they do not believe that they will save anything. The Secretary of State should tell us that much at least, as he leads off for his Department in the Queen's Speech debate.

However, I recall the Under-Secretary of State for Social Security, the hon. Member for Wallasey (Angela Eagle), stating during our last Social Security Question Time:

"The working families tax credit . . . is not intended to create . . . jobs."—[*Official Report*, 16 November 1998; Vol. 319, c. 593.]

That is not what the Government have been telling us, and it certainly is not what they have been telling the general public: the Government were going to save money, because people would be going into new jobs because of what the Government were spending money on. That is now clearly not the case.

Instead, the working families tax credit begins to offer us the prospect of increased regulation on informal family child care; and it will further erode the status of single-earner couples.

The Secretary of State for Social Security (Mr. Alistair Darling): I apologise for interrupting the hon. Gentleman's flow, but will he answer the following question: I know that he is against and would scrap the working families tax credit; does it follow that he would oppose the disabled persons tax credit?

Mr. Duncan Smith: No, not necessarily—it depends to a great extent on what the proposals are. If the disabled persons tax credit works out to be pretty much the same as the working families tax credit, we shall oppose it. We shall decide what to do when the right hon. Gentleman produces the details, as his hon. Friends have asked him to do. My simple point is that the proposals for the working families tax credit will result in effects that are exactly the opposite of what the right hon. Gentleman thinks will be achieved. It is clear that the WFTC will strike at the heart of families and supporting families, and create problems for them; it certainly will not improve their situation.

I said that nothing in the WFTC will help the single-earner household. We have seen from the figures—I shall cite them in a moment—that the WFTC will create greater problems. The Chairman of the Social Security Select Committee, the hon. Member for Roxburgh and Berwickshire, referred to the likelihood of increased fraud, partly because employers will know which employees are receiving the credit, as will their colleagues. That will lead to stigma and increased costs. Most businesses do not want that to happen.

The Secretary of State will have to address a whole range of issues. The WFTC is not likely to work. We believe that it will fail, add cost, create no new jobs and, ultimately, raise social security spending—which is not one of the Prime Minister's declared aims. Behind the failing programme of spend to save—to which the Secretary of State is now pledged—screened by the rhetoric and the rising costs, lies a much clearer agenda. I disagree slightly with the Chairman of the Committee on this point. This is the dog that does not bark—but different from Labour Back Benchers, who spend most of

their time not barking about anything. It is the debate about means testing that the Government simply refuse to have.

The Committee Chairman was quite clear: he is concerned about the way the matter is drifting. I do not think that it is drifting: I believe that the Government's agenda is to move to a means-tested system, in which the contributory principle is thrown away and people become wholly dependent on the state to meet their needs. That is not a constructive agenda for the future. It does not deal with the real issues of dependency or family breakdown, which it will accelerate.

Let us examine the way in which the Government propose to deal with the state pension. The extension of pensioners' minimum incomes is nothing more than a con trick. I have talked to many pensioners—including those from the pensioners parliament—and many of them say that they have spotted the trick, and they do not like it. The Government have just repackaged existing benefit, and have not dealt with the real issue of improving pensioner incomes. They have reinforced the natural disincentive to save that is present in the means-tested system for existing pensioners or those approaching pension age.

The Government say endlessly that, if people are going to save big, that is fine. However, if they are not going to save big, they should not bother to save at all. For example, the Government's proposal makes a saving of £9,000 an irrelevance—a person might as well not have bothered to save at all. People would be better off redeclaring and redefining their lives on to income support. They should not put money away for a rainy day, because they will suffer if they do. However, the person who does not save will benefit.

The Government clearly intend to means-test the state pension. Let us clear up that matter once and for all. The Conservative party has said that we will not means-test the state pension after the next election. Will the Secretary of State match that commitment, so that we may have a proper debate? I give him the opportunity to intervene now. He does not wish to do so, so he has finally admitted that the Government wish to retain the option of means testing the state pension.

The Secretary of State must admit that his inaction makes our case. If he did not believe in it, he would rule it out now. However, nothing would surprise me from a Government who spent their first few weeks in office discovering ways of taxing pensioners an extra £5 billion a year. Damaging pensioners' savings is no way of resolving these matters.

The hon. Member for Newbury also referred to means testing, and to the severe disablement allowance. I hope that the Secretary of State will say once and for all what will happen to severely injured people over the age of 20 who have not had the chance to build up their contributions, and who will now not be eligible for severe disablement allowance or incapacity benefit. They will experience a real-terms cut in their income. The hon. Member for Newbury raised a reasonable point, and I hope that the Secretary of State will respond to that tonight, or write to us.

The Government have a means-testing agenda. They view the system as a balloon, and believe that they can get rid of much of the cost by pressing down on it to make it thinner. They fail to realise that their action makes the balloon expand at either side, as people find their way into other parts of the system. That distorts spending. Increasing means testing may reduce costs in the short term, but in the medium and long term, costs will balloon, and there will be changes in people's behaviour.

Those changes will create confusion and chaos. For example, the working families tax credit will attack single-earner couples. I said that the difference between single-earner couples and lone parents will be made more stark by the working families tax credit. If a single-earner couple and a lone parent each earn £15,000 a year, the couple will receive next to nothing from the WFTC, and the single parent will receive about £70 a week more. That creates a position of divide and rule, it causes chaos for those who want to provide for themselves and to save, and it creates disincentives for those who are able to do so.

As many Labour Back Benchers are now beginning to discover, the Secretary of State's changes to widow's benefit mean that many widows will lose their entitlement. Readjusting the benefit was a way for the Government to save money. I am surprised that Labour Members did not realise that when the Secretary of State made his speech on the subject, but he dressed up the measure more cleverly than his predecessor might have done. Its effect has now been spotted—it is another extension of means testing.

I said a year ago, before the Secretary of State was in his post, that every Member of the House would want to support welfare reform, as long as the Government abided by four principles. First, reform must strengthen the institution of the family, rather than breaking or undermining it, which the Government are doing. Secondly, any change must strengthen personal responsibility, and break the dependency culture. The working families tax credit certainly does not do that; it will add 500,000 to the benefit regime. Thirdly, reform must strengthen alternative provision of welfare and break the state monopoly of provision. The Government have made no far-reaching proposals on that. Pensions come into that category. Fourthly, reform must protect those in genuine need.

The Queen's Speech contained many proposals, all of which we were already aware of and which are mechanistic. There was nothing new or unexpected, and nothing to tackle the big issues. For example, what will happen to housing benefit when the working families tax credit is implemented? No change is proposed. I remind Labour Members that, back in March, the previous Secretary of State for Social Security, the right hon. Member for Camberwell and Peckham (Ms Harman), said:

"we are reviewing the interaction of housing policy and housing benefit and we will bring forward proposals . . . shortly."—[*Official Report*, 19 March 1998; Vol. 308, c. 1436.]

We have heard nothing. There has been no Green Paper, and no proposals on housing benefit. That creates a huge problem.

There have been no proposals—only leaks—on child benefit. Most importantly, we have heard nothing on pensions. The Government have spent 18 months fiddling around on pensions, and still have no proposals for reform.

The Queen's Speech, no matter what the spin or what friendly journalists write, reveals that, 18 months after the election, the Government have balked at their own targets

[Mr. Duncan Smith]

for welfare reform. Even the Prime Minister recognises that. He has changed his language to match the changes that he would like to make to Labour's pledges. In 1997, he said that Labour's aim was to

"start reducing the very high welfare and benefits bills we pay in this country so that we can get the resources into education and health that we need".

That is not happening, so, at the Mansion House earlier this month, the Prime Minister said:

"People often say the aim should be to cut welfare bills. But they forget: some welfare spending . . . is good and necessary".

I remind the Government that it was the Prime Minister who said that Labour would cut welfare bills. He set the target, and the Government now want to change the rhetoric. As my right hon. Friend the Leader of the Opposition said on Tuesday, it seems that they are a Government who govern to win elections, but do not win elections to govern. Nowhere is that more true than in this regard. Redefining their pledges and rewriting history will not work. The Prime Minister will and must be judged on the pledges he gave.

The Government's heavy reliance, rhetorically and politically, on welfare to work merely masks the failure of their big picture. It is not as if there is no vision; it is simply that, after 18 months, we can see what that vision is. The Government's big idea is means testing and more means testing. It is not radical—*[Interruption.]* The Secretary of State for Social Security smiles in agreement. It is good to have that confirmation. All he will do is chase the error.

Pensioners, widows, the disabled and families were all led to believe that the Government had a programme for reform which was structural and which would sort out the dependency culture. Far from it—what they are doing will increase it. It is a matter of great sadness to all in the House because the Queen's Speech was a golden opportunity for proper reform to deal with structural dependency. We offered the Government support for proposals that would tackle the problem, but they have thrown it away. In any event, very few such proposals have been forthcoming.

There is also reason to be angry because the Queen's Speech marked the moment when it became clear that the Government's agenda—no amount of spin can change this—for the next three years is means testing, means testing and more means testing. We have been warned.

9.36 pm

The Secretary of State for Social Security (Mr. Alistair Darling): It comes as some surprise to us and, I suspect, to the whole country, that the Conservatives are now against means testing. I do not remember one occasion in the past 18 years when any of the then Ministers said from the Dispatch Box that they were going to end means testing. Means testing has always been part of the welfare state. It is not the only part, by any means, but it is one way of ensuring that help can be got to those who need it most.

I shall deal with welfare reform, the contributory principle and means testing shortly. However, like the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), I want to cover some of the other points made in this debate which covered health and welfare, although I agree with the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) that the two are inextricably linked.

The right hon. Member for Maidstone—

Miss Widdecombe: And The Weald.

Mr. Darling: And The Weald as well.

Until now, I had been spared the sight of the right hon. Member for Maidstone and The Weald (Miss Widdecombe) in full flow. I did not see the video of her at the Tory party conference, but I have had the opportunity this afternoon to see something of a rather tormented and demented miniature Hattie Jacques.

As I listened to the right hon. Lady talk about waiting lists and berate us on our record on the treatment of cancer and so on, I found it odd that she did not allude to the fact that she and her party oppose the £21 billion investment that we are putting into the national health service over the next three years. The shadow Chancellor, who, I assume, speaks for the whole of the Conservative party, has made it clear that all our public spending—our £40 billion on health and education—is a mistake. The criticism that the Tories make of us falls apart when one remembers that the Tories oppose every extra penny that we are investing in the health service.

Mr. Quentin Davies: Will the right hon. Gentleman give way?

Mr. Darling: In a moment.

Given that the Tories want to cut £21 billion of investment, it is not surprising that, to get around the gap that that leaves in the health service, they have to emphasise the importance that they attach to increasing private health provision. It is another example of how they are drifting further from the mainstream into the right wing of politics. I do not think that the hon. Member for Grantham and Stamford (Mr. Davies), to whom I am about to give way, believes in that nonsense. He spent 18 years in the wilderness on the Tory Back Benches because he does not believe that. How on earth can he justify speaking for the Conservative party which is against the investment that most people want?

Mr. Davies: The right hon. Gentleman affords me rather more seniority than I can claim. He either has not understood or pretends that he has not understood the force of criticism from the Conservative Benches. Of course we are not against spending money efficiently on health and education. The Labour party came to power promising to pay for that incremental expenditure through social security savings, but he and his predecessor, the right hon. Member for Camberwell and Peckham (Ms Harman), have fundamentally failed to deliver them. Indeed, as my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) pointed out, he is allowing his budget to increase out of control. That is the criticism that we are making.

Mr. Darling: The hon. Gentleman is most clearly wrong. He should listen to the shadow Chancellor, who has made it abundantly clear that the Tories oppose our additional investment. He says that such investment is

irresponsible and cannot be justified. As one half of the Tory party is telling us that, the spending half is saying that we ought to be spending more.

Miss Widdecombe: Can the right hon. Gentleman name one occasion on which I have said that Labour should be spending more?

Mr. Darling: The right hon. Lady has been shouting that she wants us to be spending more. When I looked into the Chamber during debates following the Budget last year, I heard her say on many occasions that we were not spending enough. She has been complaining about waiting lists and cancer treatment, yet she belongs to the same Front-Bench team as the Shadow Chancellor, who is against additional spending.

Mr. Duncan Smith: Will the right hon. Gentleman give way?

Mr. Darling: I will later on—not just as the moment.

We are investing £40 billion more in health and education. The Bill that will shortly be before the House, which will abolish the internal market, ensure that the NHS is universally available and get rid of competition and the false market that the Tories tried to create in the health service, will be welcomed by most people.

We are able to make such investment and to restructure and reform the welfare state because we are doing so from a sound economic base. Over the past two years, we have taken steps to end boom and bust—the instability of the economy that we inherited—to ensure that we can plan ahead. We gave the Bank of England independence and, as a result, we have the lowest long-term interest rates for 35 years. The Conservative party is against not only our long-term investment, but one of the key planks of our strategy for economic stability.

Miss Widdecombe: Will the right hon. Gentleman give way?

Mr. Darling: I would be delighted to give way shortly.

The hon. Members for Chingford and Woodford Green and for Grantham and Stamford criticised our approach to welfare reform. We said during the election campaign that we would cut the bills of economic failure, and we are doing so. Through the new deal, we are getting people, who were written off by the Conservative party, into work. We also said that we wanted to reform and restructure the welfare state so that it meets the needs not of post-war Britain, for which, fundamentally, it was designed, but of the next two to three decades and beyond.

The rate of increase of social security spending in this Parliament will be half that of the previous Parliament. That is because not only have we been cutting the bills of economic failure by getting people into work, but we have taken steps in the Department to ensure that we pay benefits to the people for whom they are intended. We are taking more care to ensure that we have evidence before we pay benefits in the first place.

The Conservatives must come to terms with the fact that, because we are in the business of fundamentally restructuring the emphasis of the welfare state, concentrating more on preventing failure in the first place rather than picking up the bill after it, we will be successful in restructuring and reforming the welfare state, so that it delivers the support and active help that we require to get people into work.

Mr. Burns: Will the right hon. Gentleman give way?

Mr. Darling: I will in one moment. The hon. Member for Chingford and Woodford Green wants to intervene, too. If the Tories believe that our increased spending on pensions, family support and disabled people is wrong, which area of spending would they cut?

Mr. Duncan Smith: The right hon. Gentleman seems to be giving way to me. That is fine, but two or three of us had lined up to intervene. [HON. MEMBERS: "He said, 'Chingford and Woodford Green'."] Yes, I was and still am the Member for that constituency.

The right hon. Gentleman said that spending over the lifetime of the current Parliament would be half the amount of our spending when we were in government. He is wrong. If he looks at the figures for the first year of the present Government—figures that, as he knows full well, were set by the last Government—he will see that they fell by 1 per cent. If he takes those figures out of the equation, which is quite right—every other commentator will do the same—he will see that the spending that he predicts, even in good times, will grow by nearly 3.5 per cent. in the current Parliament. That is not half what our spending was.

Mr. Darling: Taking numbers from any selected year will produce a different answer. Moreover, the hon. Gentleman ignores the fact that social security spending was increasing by some 10 per cent. in the early 1990s. In any case, he did not answer the question. He says that we are spending too much on social security—on pensions, families and the disabled. He did not explain something else either. The Conservatives oppose the working families tax credit, which will help people on lower incomes and lower the barriers preventing people from getting into work; furthermore, they want to introduce a transferable tax allowance that will cost £4 billion a year. They must finance that before doing anything else—and, of course, such action would disproportionately benefit the better-off. We want to ensure that poorer people who have been trapped on benefit get into work: that is part of our fundamental reform of the welfare state.

Miss Widdecombe: Will the right hon. Gentleman give way?

Mr. Darling: I will in a moment, but I want to make some progress. I want to deal with a point made on behalf of the Liberals. At least, I think that it was made on their behalf; I discerned two or three different lines of thought during the evening. I refer to what was said about the Government's overall approach to poverty.

The House will know, because my right hon. Friend the Secretary of State for Health referred to it earlier, that the Acheson report on inequalities in health was published today. When I heard that the Conservatives had named today for a debate on health and welfare reform, I realised that they were more cunning than I had thought: they knew that the report would be published today, and they wanted to make something of it.

[Mr. Darling]

Perhaps it is not so surprising that the Conservatives did not mention the report, which is a damning indictment of their 20-year stewardship of the economy; but our response may show how this Government, with our approach to welfare reform generally and our economic approach, are beginning to tackle the inequalities. We have mentioned the working families tax credit, the sure start programme, the extra money for child benefit, help for families—one of the tests that was set by, of all parties, the Conservative party—the extra money that we are investing in communities that have been run down for years, and the minimum wage, which will address the problem of poverty. Across the board, the Government are tackling inequalities, in economic and health terms and in terms of welfare reform—a topic to which I particularly wish to return.

Mr. Simon Hughes: I do not dissent from what the Secretary of State has just said, but have he and the Government a target for reducing the gap between the richest and the poorest within a normal parliamentary term of five years?

Mr. Darling: People want not just a commitment, but action. We know that poverty exists in every corner of the land. We know that there are inequalities and a lack of opportunities, and, right across the board, we have emphasised the need to tackle the problem. We will tackle it through, for example, the new deal.

The Conservative party has accused us of spending some £11,000 per job. The hon. Member for Chingford and Woodford Green said that that was in the press today, but it was in the press because he told the press.

The Conservatives have priced the new deal in the manner of someone trying to price the cost of a new car on the basis of its first few weeks of operation. In fact, the cost is about £1,000 per job. The Conservatives are happy to ignore the success of the new deal: the fact that some 30,000 young people will have been given work. When they criticise us, it should be remembered that they would do absolutely nothing for a whole generation—a generation that was written off under their Administration. The new deal has been extremely successful in getting people—sometimes they have been in extremely difficult circumstances—back into work. That is something that any civilised Government should do for good economic and social reasons.

We set out the principles that will govern our welfare reform in a Green Paper which was published earlier this year. In answer to the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), the success measures there set out were responded to and overwhelmingly endorsed. I published the results of the consultation and I think that a list of responses has been made available in the Library.

Over the past 18 months, we have made progress in reforming tax and benefits, including child benefit. There are further reforms to come, including to the Child Support Agency, for example. I say to the hon. Member for Newbury (Mr. Rendel) that we are proposing to introduce more than 20 Bills in the coming Session, which will be shorter than the previous Session, which was quite long. We cannot legislate for everything in the first or even second year of the parliamentary term. We have been elected for a five-year term and we are consulting on the CSA proposals. The Government will bring forward legislation as soon as we can. However, as I understand it, the Liberal party is against the concept of the CSA. That being so, I am surprised at its anxiety to get a new or improved version of it on the statute book.

Mr. Kirkwood: Is pre-legislative scrutiny still planned by the Government?

Mr. Darling: I certainly hope that we shall have an opportunity for pre-legislative scrutiny of the Bill. That is an extremely important part of some of the changes that we have made to the way in which Parliament works. Indeed, a number of measures were announced in the Queen's Speech, to which I hope other Bills will be added. The disability rights commission, to which my hon. Friend the Member for Middlesbrough, South and Cleveland, East (Dr. Kumar) referred, is an important part of our reforms.

I welcome the fact that so many Members have supported our approach on the single gateway. It is a complete change of culture for the Departments of Social Security and for Education and Employment. It is surely right that everyone should have the opportunity to know what options may be open to them if they come out of benefit. It is an example of how the culture and approach of government is changing. We are not merely reacting to problems but, ending a situation in which someone simply receives benefit and no help. I think that, overwhelmingly, people now believe that the Government must have a different approach to get people back into work.

Miss Widdecombe: Will the right hon. Gentleman give way?

Mr. Darling: The right hon. Lady has been containing herself for long enough. I shall certainly give way to her. Having done so, I want to talk about disability and bereavement issues, which some of my hon. Friends mentioned.

Miss Widdecombe: I am grateful to the right hon. Gentleman for at last giving way. He may have thought that as a result of delaying giving way for 10 minutes, I had forgotten what he was talking about, but I have not.

As I am sure that the right hon. Gentleman would not knowingly or willingly mislead the House, I can conclude only that he is the victim of his own propaganda. I have never, either from the Opposition Dispatch Box or from a sedentary position, called upon the Government to spend more. I have said that they are claiming to be spending vastly more than they actually are by using a rather quaint form of accounting. If they really were spending all that money, what on earth is their difficulty about funding such things as keeping open community hospitals? I have said that. The supposed conflict between myself and my right hon. Friend the Member for Horsham (Mr. Maude), the shadow Chancellor of the Exchequer, is a figment of the Prime Minister's imagination, which the Minister is trying to perpetrate. Will the right hon. Gentleman apologise?

Mr. Darling: I take it from that that the right hon. Lady is confirming my suspicion that Conservatives do not want to spend the £21 billion that we shall invest in

the NHS. If the Conservatives want to go into the next election promising to cut £21 billion from the health service, that is fine by me. I am quite happy to put up with that problem.

Mr. Burns: Will the Secretary of State give way?

Mr. Darling: No, I will not. I want to deal with disability and bereavement benefits, which hon. Members have raised.

First, I turn to disability and a point raised by my hon. Friend the Member for Keighley (Mrs. Cryer). We are determined to ensure that disabled people have the opportunities that are available to others. We are determined also to ensure that no one asks anyone who is disabled to do anything that is unreasonable. I entirely take my hon. Friend's point that people with disabilities sometimes have quite substantial difficulties and that we must take account of that.

I want particularly to deal with two points on incapacity benefit. One is in reply to the hon. Member for Newbury and his complaint that we are taking into account people's occupational pensions. I remind him that we are ignoring the first £50 and introducing a taper of some 50 per cent. Given the rise in the amount of insurance that people now have, it is not unreasonable that there should be a better and fairer balance between their contribution and the contribution from the state. If we were designing a system from scratch, I am sure that we would not ignore that.

The hon. Gentleman and others spoke about the principle of means testing. The welfare state has always had a mix of contributory benefits and means-tested benefits—benefits paid on the basis of need. We are extending some aspects of disability and bereavement benefits. We are extending some of the benefits available to those who are most severely disabled—for example, we are extending the mobility allowance component of disability living allowance to three and four-year-olds. For the severe disablement allowance, we have dramatically increased the amount of money that will be available to people disabled from birth or very early on.

We have also made changes in widows bereavement benefit. The choice was whether to extend it to everyone, at a cost of £250 million a year, or to continue with the absurd situation where 40 per cent. of the women who receive the benefit are in the top half of the income bracket, whereas a man on low income with young children gets nothing. When faced with these difficulties, we must make difficult choices. We must ask ourselves what approach we would take if we were starting from scratch. My approach is unashamedly to do more for people who need it most. That is what I was elected to do, and that is what I am determined to deliver.

Mr. Rendel: I accept entirely that the doubling of the initial lump sum will help people who need it very much. However, the Secretary of State is arguing that he could not afford to do anything other than he has done, yet he also tells us that £500 million will be saved. He could easily have created a fiscally neutral change to widows benefits and still allowed the bereavement allowance to go on for much longer than six months.

Mr. Darling: We are spending a great deal more in the first five years because we are extending the scheme. In future there will be savings. I am determined to ensure, as my hon. Friend the Member for Gedling (Mr. Coaker) said, that the welfare state is affordable and manageable over the next 20 to 30 years. I know that additional needs will arise that we must deal with. The great thing about being a Liberal is that one need not bother about any of these things. One can pick and choose—take the good things and ignore the rest.

In the time available, I shall deal briefly with pensions. The Green Paper on pensions was promised before the end of the year. If there has been any delay, that is entirely my fault. I want to ensure that when we publish the Green Paper, it is the right solution to the pensions problems that we will face over the next 20 to 30 years. Right hon. and hon. Members will see that it is. The reason that it is not mentioned in the Queen's Speech is that it will be in the Green Paper.

The debate has been instructive, as it has shown clearly the divide between the Government and the Conservative Opposition. First, we are determined to reform the welfare state and provide more help for those who need it most, to carry on encouraging people who can work to get into work, and to change the whole emphasis of the welfare state in a way that never happened during the past 18 years. The welfare state will help people to get into work and provide security for people who cannot work. The Conservatives never tackled that task.

The second point that shows the distinction between us is that we believe that where investment is necessary, in the health service and in education, we will make the necessary investment. We have created a secure economic platform which allows us to build for the future and plan for the years to come. My right hon. Friend the Chancellor of the Exchequer has made sure that we have that secure future, which is enabling us to invest record amounts in the health service. Most people believe that that was long overdue and much needed.

The Government are determined to modernise the institutions of Britain. We are determined to provide opportunity for individuals. The Queen's Speech represents another major step forward in the Government's second Session. We have much more to do in the coming years, but we are well on the way to delivering our manifesto promises.

Debate adjourned.—*[Mr. Kevin Hughes.]*

Debate to be resumed tomorrow.

OFFICE COSTS ETC. ALLOWANCES

Resolved,

That, in the opinion of this House, the following provisions should have effect:

(1) The limit on the office costs allowance in relation to Miss Anne Begg should be 1.55 times that determined in accordance with paragraph (a) of the Resolution of the House of 10th July 1996 for any quarter beginning with 1st April 1998.

(2) The limit on the additional costs allowance in relation to Miss Anne Begg should be 1.55 times that determined in accordance with paragraph (1) of Part C of the Resolution of the House of 13th July 1994 for any year beginning with 1st April 1998.—*[Mr. Kevin Hughes.]*

PARLIAMENTARY PRIVILEGE

Ordered,

That in accordance with the Resolution of the House of 30th July 1997 in the last session of Parliament, a Select Committee of six Members be appointed to join with a Committee to be appointed by the Lords, as the Joint Committee on Parliamentary Privilege, to review parliamentary privilege and make recommendations thereon;

That three be the Quorum of the committee;

That the Committee shall have power to send for persons, papers, and records; to sit notwithstanding any Adjournment of the House; to report from time to time; and to appoint specialist advisers to supply information which is not readily available or to elucidate matters of complexity within the Committee's order of reference;

That the proceedings of the Joint Committee on Parliamentary Privilege in the last session of Parliament be referred to the Committee;

That Mr. Attorney General, the Lord Advocate, Mr. Solicitor General and Mr. Solicitor General for Scotland, being Members of either House, may attend the Committee, may take part in deliberations, may receive Committee papers and may give such other assistance to the Committee as may be appropriate, but shall not vote or make any Motion or move any Amendment or be counted in the Quorum;

That Mr. Joe Benton, Sir Patrick Cormack, Mr. Bill Michie, Mrs. Ann Taylor, Mr. Paul Tyler and Mr. Alan Williams be members of the Committee.—*[Mr. Kevin Hughes.]*

Message to the Lords to acquaint them therewith.

BUSINESS OF THE HOUSE

Ordered,

That Private Members' Bills shall have precedence over government business on 26th February, 5th, 12th, 19th and 26th March, 16th, 23rd and 30th April, 7th, 14th and 21st May, 11th June and 23rd July 1999.—*[Mr. Kevin Hughes.]*

SITTINGS OF THE HOUSE

Motion made, and Question put forthwith, pursuant to Standing Order No. 12 (House not to sit on certain Fridays),

That the House shall not sit on the following Fridays:

4th, 11th and 18th December 1998 and 15th, 22nd and 29th January, 5th and 12th February, 9th July and 22nd October 1999.—*[Mr. Kevin Hughes.]*

Question agreed to.

New Forest

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Kevin Hughes.]*

10 pm

Mr. Desmond Swayne (New Forest, West): I approach this debate with some reluctance, given that whatever I may say will upset one or other of the lobbies in my constituency. There is nothing in it for me. I also approach it with a measure of humility in that I am a newcomer to the affairs of the forest, but I spent a considerable amount of time this summer consulting people who are intimate with it and its problems, and that intimacy is the product not only of their own lifetimes, but of generations.

The New Forest is the most important natural heritage area in western Europe. It is vital that we preserve it. It is, to some extent, a credit to the House that it still exists and that we have preserved it over the centuries. There are, however, considerable problems.

The forest is sandwiched between the expanding port of Southampton, seeking to expand into Dibden bay, and the expanding conurbation of Bournemouth, with its plans for a much expanded airport. It is bisected by the A31 which is, to all intents and purposes, an extension of the M27-M3 motorway network, with growing volumes of traffic audible over much of the forest, particularly on the approaches to Ringwood. In addition, we have the problem of housing and the demand that that makes on the infrastructure.

Those problems are of a different order from the problems for which the legislation framed by the House was designed to solve. Those Acts attend largely to the conservation of forestry and to the rights of commoners as against the Crown.

Notwithstanding that, the regime that persists in the New Forest—by that I mean the perambulation of Crown lands and attached commons—is fundamentally sound. It provides a balance of interests. It provides for the Forestry Commission to manage the forest but to be accountable to the public through the House. We can challenge the Ministry of Agriculture, Fisheries and Food and it is amenable to public pressure, as the current debate on the Minister's mandate has clearly shown. There are proper checks and balances. What is more, the regime affords the verderers enormous powers to thwart undesirable development. Those powers would not be available under much modern legislation.

Therefore, I do not believe that the problems within the perambulation of Crown lands are primarily organisational. There is, undoubtedly, an economic problem, which largely hinges on the survival of the 400 or so practising commoners. It is vital that commoning survives because it is the grazing of the commoners' stock that gives the forest its unique character. It will be interesting to see what funds may be unlocked in the future to solve many of the problems faced by the commoners. But whatever happens, I urge the Minister to ensure that the commoners are always thoroughly consulted, not just because they have an interest to protect but because they have much wisdom, stretching back over generations.

I move beyond the perambulation of Crown lands and attached commons to the problems of the wider New Forest heritage area. It is here that the pressures of the

modern world are much more intrusive. It is a vital area for the protection of the New Forest itself, because it provides a halo around the forest, insulating it from much development pressure. It is under threat. The New Forest Acts do not apply here. The writ of the verderers does not run here. It is difficult with any certainty to point to it even on the map because the boundary is subject to revision by the local planning process.

The Minister must address at least two problems with respect to the heritage area. First, he needs to review and fix the boundary and, in that regard, I would draw to his attention the interesting proposals from the Ramblers Association. Secondly, he needs to review the planning environment within that heritage area. I suggest that he amend the general permitted development order.

Whatever the Minister does must be done with some sensitivity—certainly with respect to business interests. We need jobs in Lymington and New Milton. I draw to his attention the problems faced by Lymington Precision Engineers—a successful company that is seeking to expand and provide vital jobs but which is unable to do so because of the constraints placed on the use of all the available land. Equally, there are problems faced by hauliers, who were recently banned from using forest roads. One visited me recently to say that his costs had gone up by £60,000 a year as a result, and that he was now at a competitive disadvantage compared with everyone else in the county.

It is quite proper that the county council should exercise its powers because of the special status and character of the New Forest. Equally, I believe that compensation ought to be available and I hope that some new international status may be able to unlock funds for the New Forest.

In summary, the New Forest is a unique environment, and therefore it would be inappropriate to roll it up in a solution together with the south downs. Most importantly, I urge the Minister to eschew the powers that he has under the National Parks and Access to the Countryside Act 1949 to impose a standard national park on the New Forest. A national park, under the 1949 Act, would provide disproportionate influence to local government as against the other interests in the forest.

The Minister has a credible track record in local government and extensive experience of it. Nevertheless, local government priorities with respect to housing, tourism and traffic management are not necessarily the priorities of conservation. In that regard, I draw to the Minister's attention a letter that I received today from a constituent, who happens to be the chairman of the New Forest committee. He said:

"Government might impose a standard solution for administrative convenience and ignore the special characteristics of the Forest e.g. that 50 per cent. of the Heritage Area is Crown land or that commoning would not be a special purpose for the designation . . . The Forestry Commission and the Verderers would be underrepresented on a standard National Park Authority . . . Existing responsibilities are discharged effectively and display none of the confusion which existed in some National Park areas pre-designation . . . Why strip them away and add to bureaucracy?"

The letter stated that a standard solution would not address potential overlapping responsibilities. For example, the National Park Authority, Forest Enterprise, as recreational managers of the land, and the verderers would have overlapping responsibilities, and consequent muddles would have to be sorted out after the event.

I have quoted selectively from the chairman's letter. He advocates tailor-made legislation for a special national park. Before I would sign up to any such proposal, I would like to see the exact details. However, as I have quoted selectively, I will let the Minister have a copy of the entire text.

10.9 pm

Dr. Julian Lewis (New Forest, East): With typical generosity, my hon. Friend the Member for New Forest, West (Mr. Swayne) has allowed me to intervene in the debate, which he was fortunate enough to secure in the ballot. He has touched on three possible options for the management of the New Forest in the future. These can be summarised as:- specialist legislation combined with the activities of voluntary bodies, voluntarily co-ordinated; specialist legislation combined with statutory bodies and statutory powers; and designation as a national park under the 1949 Act. I contend that either a statutory body or designation under the 1949 Act would overlap with and undermine the powers of the verderers to protect the institution of commoning in the forest, without which the forest would not be as it is today.

Dr. Alan Whitehead (Southampton, Test): Does the hon. Gentleman accept that the establishment of a national park authority under the Environment Act 1995 would allow for delegated powers to be given to the local authority and for the commoners and verderers to continue much as at present?

Dr. Lewis: I am concerned that there are very different ideas as to what statutory powers would entail. I asked the outgoing chairman of the New Forest committee what would be the difference between a statutory body and one, such as the present committee, that voluntarily co-ordinates the various interest groups. His response was that the bodies that were voluntarily involved in the New Forest committee would have to belong to it in future.

I asked what was the purpose of doing that if we were not to have a regime in which the majority of bodies that were forced to belong to the statutory body might outvote the minority, thus undermining the authority of the verderers. The outgoing chairman said that that would happen only in the last resort. I said that that sounded like the concept of subsidiarity and he said that, knowing my views on that concept in the European context, he had thought that the word would never pass my lips. I replied that I did not trust it in Europe and I do not trust it in the New Forest.

On 15 July, Lord Montagu of Beaulieu initiated a debate in the other place on the future of the New Forest. Four days earlier, *The Southern Daily Echo*, a newspaper that is generally reliable—apart from an occasional rush of blood to the headline—quoted him as stating that his own preference was for

"improved administration based on existing Acts of Parliament relating to the New Forest, with a co-ordinating role for the New Forest Committee—but not statutory powers."

I was therefore rather disappointed that, when the debate took place, he gave a slightly different interpretation. He rightly said:

"There is very little support for national park status in the forest"

[Dr. Lewis]

but he went on to say, in relation to special legislation, that

"Clauses would be required to establish a statutory authority to co-ordinate management over the whole heritage area".

I am worried about a statutory authority for the reasons that I have given. I was impressed by the remarks of the Labour peer, Lord Taylor of Gryfe, a former chairman of the Forestry Commission, who said:

"I very soon discovered that what I needed"—

in the New Forest—

"was not simply a good forest manager but also a diplomat who could live with all the conflicting interests. Without a great deal more evidence, I would be reluctant to believe that a change involving legislation would achieve any better solution than the present regime."—[*Official Report, House of Lords*, 15 July 1998; Vol. 592, c. 332-35.]

When the Minister came to visit us in the New Forest, I formed the distinct impression that the likelihood of any fresh legislation in the Government's timetable was remote. I fear that we will be faced, not with statutory powers for the New Forest committee or a similar body, but either with designation as a national park under existing legislation or a continuation of past practice whereby the forest has been defended, protected and safeguarded by individual laws and not by the erection of overarching bodies. What has worked for many hundreds of years is the best solution for the future.

We face the prospect of the Dibden bay port development, which would erect massive container stacks and put massive burdens on the infrastructure along the edge of the forest. The problems which the Minister faces in dealing with the issues raised in this debate are as nothing compared to the problems which the forest will face if that development goes ahead without arrangements being made for the traffic into and out of any Dibden bay container port to go in and out of the port of Southampton, and not be inflicted upon the waterside or forest area.

10.15 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Alan Meale): I congratulate the hon. Member for New Forest, West (Mr. Swayne) on securing this debate on the important subject of the future status of the New Forest. I am glad to have the opportunity to respond and I pay tribute to him and other hon. Members who have continued to raise the subject in the House. If the hon. Gentleman will pardon me, I shall deal first with a point raised by the hon. Member for New Forest, East (Dr. Lewis) about Dibden bay.

I assure the hon. Member for New Forest, East that I am aware that Associated British Ports in the Southampton area is working on a port expansion on the western bank of Southampton water at the bay. That is to enable the port to attract new, larger, deep-sea container ships, as the hon. Gentleman mentioned. Proposals for that area are likely to be controversial, not least because of the nature conservation implications and the designation of the Dibden bay foreshore as part of a special protection area for birds. As the hon. Gentleman knows, the site lies in the New Forest district and is close to the New Forest heritage area. Although ABP has not so far submitted applications for the necessary consents, I know that the company has been in discussions with environmental bodies, the relevant local authorities and my officials about the procedures that would be required. Those procedures are complex and various consents are required by the relevant legislation.

My understanding is that a harbour revision order would be needed to allow the construction of a new terminal and ABP is also likely to require planning permission for some aspects of the works. Unless objections to the harbour revision order are resolved by negotiation, the Secretary of State for the Environment, Transport and the Regions will call a public local inquiry, during which time the objectors and any other interested parties may make representations. The final decision would then rest with my right hon. Friend, who is responsible for the Department that I represent. In view of that, it would be improper for me to express any views on the merits or otherwise of the proposals at this stage. However, I thank the hon. Member for New Forest, East for drawing the House's attention to the issue.

As is to be expected, there is much interest in the New Forest area about the future status of the forest and the decision that the Government must take about the best way forward, but interest is not confined to the locality or even to the surrounding counties and cities. The New Forest has a special place in the nationally valued landscapes of England and there is, rightly, interest and concern throughout the United Kingdom.

As the hon. Member for New Forest, West knows, the issue has a long history. The recent debate on administrative mechanisms occupies but the blink of an eye compared with the long history of the New Forest itself. However, the debate has taken place during a time of unprecedented change in so many of the aspects of human activity that have an impact on the forest, including, for instance, development proposals on a scale and of kinds not previously thought of; economic forces operating at an international level; personal mobility brought about largely through the use of the private car; and new agricultural and forestry techniques which have had an impact across the countryside. Hand in hand with those forces for change has gone an increasing realisation of the importance of conserving and enhancing our most important national areas of landscape beauty.

Back in the 1940s, when the areas which would end up as the national parks and areas of outstanding natural beauty were being surveyed, the New Forest was left off the list. That decision was undoubtedly profoundly influenced by the fact of Forestry Commission management of the Crown lands, as the hon. Member for New Forest, West has said, and by the special arrangements for the management of the forest under the New Forest Acts, involving the powers of the verderers in regulating commoning.

In the late 1980s and early 1990s, the position was considered again. The national parks review panel was asked by the Countryside Commission, on behalf of the then Government, to look again at the national parks in England and Wales, 40 years after the passing of the National Parks and Access to the Countryside Act 1949. In considering possible new national parks, the review panel considered that the New Forest was worthy of national park status, but suggested tailor-made legislation to take into account the powers and responsibilities of the Forestry Commission and the verderers.

The previous Administration accepted that something needed to be done, and in 1992 declared their intention of establishing a new statutory body based on the New Forest committee. Somewhere along the way their resolve faltered rather badly and they changed their mind. Instead, in 1994 they announced that there was no need for any new statutory management body, but that they planned to apply national park planning protection policies within the boundary of the New Forest heritage area. I feel obliged to advise the hon. Member for New Forest, West that even that limited gesture has not worked properly. The previous Government wanted to define the heritage area's boundary through the local plan process, and that has taken so long that it still has not been finalised.

To date, because there is no confirmed boundary, it has not been possible to amend the general permitted development order to give full effect to national park planning policies. The Government have therefore asked the Countryside Commission to reconsider the position in the New Forest, and they have firmly re-stated the need for a statutory authority to take over from the voluntary New Forest committee.

Before going any further, I would like to pay tribute to the partners in the New Forest committee who have come together voluntarily. They include the local authorities, the Forestry Commission, English Nature, the Countryside Commission and the verderers. The work the New Forest committee has done so far has been invaluable in furthering understanding of the New Forest and in taking forward sympathetic management.

To its credit, the committee has co-operated in drawing up a management strategy for the forest and it has pulled in vital funding from Europe in a successful LIFE fund bid. As the hon. Member for New Forest, West rightly said, we should pay tribute to the commoners. I was greatly impressed with them on my recent visit to the New Forest, and, as I said then, it would be strange if they were not there. If they had not existed for so long, it would be necessary for the Government, or for local government, to invent them.

However, the New Forest committee is only a voluntary co-ordinating body without statutory powers and responsibilities or a real spending budget. The committee itself, composed of all the bodies that I have mentioned with a stake in the forest, is campaigning for a statutory designation for the forest and for a new statutory authority to be set up to take forward the work which the committee has started. The New Forest committee recognises that further work needs to be done to define exactly the tasks and responsibilities that a new tailor-made authority would have. I know that the committee is holding a seminar on 28 November for stakeholders in the New Forest, to allow people to have their say on what a new statutory authority would do. I look forward to hearing the results and to seeing some specific proposals.

The Countryside Commission, in its advice to the Government, suggests that a statutory authority should prepare a statutory management plan, should be able to enter into management agreements and make payments towards the conservation of the forest, and should have a statutory right to be heard on strategic activities affecting the forest. The details of how such a statutory authority would work are not entirely clear.

If the Government decided to follow the course that the Countryside Commission regards as its first choice in its advice—that is, a tailor-made authority—all the interests in the New Forest would need to take part in further serious discussions to agree just how they want the arrangements to work. Careful thought would have to be given to how the powers of the new authority would relate to those of existing bodies, in particular the Forestry Commission and the verderers. However, I must stress that the Government have not yet made up their mind on the most effective method for resolving the concerns about the management of the New Forest.

Nevertheless, we have been listening carefully to all the arguments. For that reason, I visited the New Forest on 13 October as the guest of the New Forest committee. Not only did that allow me to find out at first hand about some of the important issues in the forest, but it gave me an opportunity to talk to many people with a variety of views about the best way forward. Indeed, following encouragement by hon. Members, including the two hon. Gentlemen who represent the New Forest, I am hoping to revisit the forest soon, to see some of the areas that I was unable to see during my short visit. I have held separate meetings with a wide range of interested parties, including both hon. Gentlemen, representatives of the verderers, the Ramblers Association and the Council for the National Parks. My right hon. Friend the Minister for the Environment has also met with representatives of the New Forest committee and held discussions with a range of other interested parties.

Yesterday, I was able to reply for the Government in a debate on possible national park status for the south downs called by my hon. Friend the Member for Brighton, Kemptown (Dr. Turner). Possible solutions for the future management of the south downs are also dealt with in the Countryside Commission's advice to the Government on protected areas and so are ideas for the better protection and management of areas of outstanding natural beauty, of which there are 37 in England.

Many of the matters that we have to consider in the Countryside Commission's advice are interrelated and we are looking at them as a whole. Decisions about the New Forest cannot sensibly be taken in isolation from the other issues dealt with in that advice. The Government want to make the right decisions on each of those matters, which is why we are taking some time to reach conclusions. We will do so as soon as possible.

I can tell the House today that we are studying carefully the full range of options for the New Forest, which include the option of a national park designated under the 1949 Act, with a freestanding national park authority, with the revised responsibilities and powers provided for under the Environment Act 1995. That option was not available when the national parks review panel reported in 1991 or when the previous Government said in 1992 that they were going to pursue a tailor-made solution. However, we have not yet made up our minds.

We are fully aware of the special factors operating in the New Forest, especially the responsibilities of the Forestry Commission and the verderers. After all, almost half of the area is managed on behalf of Ministers by the Forestry Commission. A national park authority in the New Forest would have to work closely with the Forestry Commission and the verderers. It would also need to have an appropriate relationship with the planning arrangements of the local authorities in the area.

[Mr. Alan Meale]

We are also aware that national park status would bring a number of benefits. Besides a 75 per cent. funding contribution from central Government, it would bring a statutory boundary, a recognised high planning status and well-understood powers and responsibilities. The 1995 Act provides for national park authorities to have duties both to conserve and enhance the natural beauty, wildlife and cultural heritage of their areas and to promote opportunities for the understanding and enjoyment of the special qualities of their areas. In doing so, they have to seek to foster the economic and social well-being of local communities. Those are all duties that are highly relevant to the requirements of the New Forest.

Whichever management solution is adopted for the New Forest, the question of defining a boundary will need to be resolved. There will be a mechanism to do that, whichever route we choose. I am also aware that a number of voices are in favour of a designation that goes wider than the heritage area. Those issues need to be considered in detail.

The heritage area already covers about twice the area managed by the Forestry Commission. Within the Crown lands, the Forestry Commission has a highly regarded track record, reflecting the importance that the Commission attaches to its duty of care in the forest. The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food, my hon. Friend the Member for Scunthorpe (Mr. Morley), who has responsibility for fisheries and the countryside, visited the New Forest in the summer to launch the consultation on a revision of the mandate under which the Forestry Commission—

The motion having been made at Ten o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at half-past Ten o'clock.

House of Commons

Friday 27 November 1998

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

BILLS PRESENTED

ROAD TRAFFIC (NHS CHARGES)

Mr. Secretary Dobson, supported by Mr. Secretary Prescott, Mr. Chancellor of the Exchequer, Mr. Secretary Dewar, Mr. Secretary Robertson, Mr. Secretary Michael and Mr. John Hutton, presented a Bill to make provision about the recovery from insurers and certain other persons of charges in connection with the treatment of road traffic casualties in national health service, and certain other, hospitals; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Monday 30 November, and to be printed [Bill 3].

EUROPEAN PARLIAMENTARY ELECTIONS

Mr. Secretary Straw, supported by the Prime Minister, Mr. Secretary Prescott, Mr. Secretary Cook, Mr. Secretary Dewar, Secretary Marjorie Mowlam, Mr. Secretary Michael and Mr. George Howarth, presented a Bill to amend the European Parliamentary Elections Act 1978 so as to alter the method used in Great Britain for electing Members of the European Parliament; to make other amendments of enactments relating to the election of Members of the European Parliament; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Monday 30 November, and to be printed [Bill 4].

WELSH GRAND COMMITTEE

Motion made, and Question put forthwith, pursuant to Standing Order No. 107 (Welsh Grand Committee) (matters relating exclusively to Wales)),

That the matter of Government Expenditure in Wales 1999–2000 to 2001–2002, being a matter relating exclusively to Wales, be referred to the Welsh Grand Committee for its consideration—*[Jane Kennedy.]*

Question agreed to.

Orders of the Day

Debate on the Address

[FOURTH DAY]

Order read for resuming adjourned debate on Question [24 November],

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament—*[Mr. Ashton.]*

Question again proposed.

Foreign Affairs and Defence

9.34 am

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): In the week of the previous Queen's Speech, I set out a new mission statement for our foreign policy. In this, the second Queen's Speech of the Parliament, I should like to measure Britain's standing in the world today against three of the objectives that I set out in that mission statement: first, to ensure the security of the United Kingdom; secondly, to promote the prosperity of the United Kingdom; and, thirdly, to secure respect for our values of human rights, civil liberties and democracy.

I begin, logically, with security. There is no higher national interest for our foreign policy than the promotion of our national security. In the context of international security, no nation can be an island—not even such a distinguished island state as Britain. That is why peace for our people is best guaranteed by fostering our alliances with other nations and by promoting international stability.

I am pleased to say that our alliances are in good shape. In the lifetime of the new parliamentary Session, the North Atlantic Treaty Organisation will expand to include three new members. Countries that, only a decade ago, were potential adversaries within the Warsaw pact, within a few months will be our firm allies as fellow members of NATO.

NATO is a unique partnership, spanning two continents separated by the Atlantic, but joined by common interests. More than any other member, Britain is both a European and an Atlantic state.

At the recent meeting in Pörtschach, the Prime Minister took the lead in Europe in launching a debate on how we can improve European capacity for effective and timely decisions on security and, equally important, on how we can improve the European capability to deliver an effective contribution wherever the stability of our continent is under threat. That British initiative has been welcomed with great interest by other European states, and, throughout this Session of Parliament, Britain will take a leading role in the debate that we have started.

Our relations with the two American members of the Atlantic alliance have never been in better shape. There is particular appreciation in Canada of the prominent role that Britain played in securing European and international support for the Ottawa convention. All hon. Members can share the national pride that Britain was in the front rank in banning landmines.

Britain's alliance with the United States has, of course, been the anchor of our security for half a century. Today, that alliance is stronger than ever, particularly because of the close working relationship and mutual respect of President Clinton and our Prime Minister. We have seen the importance of that relationship in the progress that has been made towards peace in Northern Ireland, which was boosted by the staunch support and personal interest of President Clinton.

We have seen the relationship's importance in the former Yugoslavia, where the US and Britain are the two leading contributors to the stabilisation force in Bosnia, and were close partners in securing the NATO threat that obliged President Milosevic to back down in Kosovo.

Most recently, we have seen the value of our partnership in the way in which our combined forces obliged Saddam Hussein to agree to the return of United Nations inspectors.

A dominant theme in the foreign policy of the past year has been the necessity of backing diplomacy with the credible threat of force against those who challenge international stability. Both in Kosovo and in Iraq, that twin-track approach has been successful in securing agreement. However, a necessary feature of agreements obtained by the threat of force is that they are likely to be implemented only if we demonstrate our continuing resolve.

In relation to Iraq, the threat of force came very close to being the use of force. Both President Clinton and the Prime Minister had authorised air strikes to be made. The threat of force was certainly credible to Saddam Hussein. He had thought that we were bluffing, but he realised that he was wrong. When he grasped how serious we were, he was desperate to avert military action.

In the course of that Saturday two weeks ago, the fax machines between Baghdad and the United Nations were in overdrive. Not only did we receive the initial commitment to allow the UN special commission to resume inspections, but, when that was not sufficient, we secured two further clarifications, making it clear that the undertaking was without conditions, without reservations and without limitations.

UNSCOM is now back in Iraq. However, our forces are still in the Gulf. If UNSCOM is prevented from inspecting suspect sites, military action can be swift. As Kofi Annan has warned, next time there may be no diplomatic phase.

Saddam must understand that there can be no question of lifting sanctions while he retains the weapons of terror that could wipe out whole cities throughout the region. If he really wants an end to sanctions, he will achieve it only by giving full co-operation to UNSCOM. His recent refusal to hand over the documents that would help UNSCOM to find his chemical weapons is contrary to his own wish to see sanctions lifted. The less he co-operates with the UNSCOM inspectors, the longer it will take them to complete their work and the longer sanctions will stay in place. I have no doubt that the Iraqi people would vote overwhelmingly for Saddam to comply with UNSCOM and co-operate in the ending of sanctions. Their tragedy is that he has no intention of listening to them.

I was troubled during the recent confrontation by the readiness of some in the media to report, on the basis of a few vox pops in the street, that the people of Iraq were solidly behind Saddam. I am not at all surprised that residents of Baghdad, if accosted by foreigners, express enthusiastic support for Saddam. Failure to do so is a guarantee of certain, but possibly slow, death.

I urge all hon. Members to read the recent report of the UN special rapporteur on human rights in Iraq. It sets out a harrowing account of torture, murder, arbitrary imprisonment and amputation for those who dare to lift their hand against the regime. The brutality and terror that Saddam inflicts on his own people are the most compelling reason why we cannot allow him to retain weapons with which he could inflict terror on the people of the countries around him.

In Kosovo, there has been steady progress on implementing some elements of the Holbrooke package. There has been a marked improvement in the

humanitarian situation. Within two months, the number of refugees on the open hillside has fallen from 50,000 to a few hundred. There has been a substantial reduction in the presence of the Serbian security forces, which have been cut, as agreed, to the level that existed before the conflict began.

There is a continuing build-up of the verification mission on the ground. Britain has already supplied more than 50 extra monitors in Kosovo—the largest European contingent on the ground. Next week, an additional 23 British members of the verification mission will be deployed in Kosovo.

Mr. Menzies Campbell (North–East Fife): When does the Foreign Secretary expect the full complement of monitors to be assembled and embarked on their work? When does he believe the protection force to be stationed in Macedonia will be fully deployed?

Mr. Cook: Those whom we have deployed are already working as observers and verifiers of the agreement. For the time being, they are doing so as members of the Kosovo diplomatic observer mission. That will fold easily and automatically into the verification mission being organised by the Organisation for Security and Co-operation in Europe. It is for the OSCE to ensure that it is able to deploy its full strength. I do not realistically expect that target to be achieved until around the turn of the year. There are severe logistical problems, not least the question of where the 2,000 verifiers will stay. Britain is giving a lead. We have already deployed more than any other European country. That will be even more marked by next week.

I understand from my right hon. Friend the Secretary of State for Defence that it is hoped that the military force in Macedonia will be deployed during the coming month. Over the next two months, there should be a steady build-up of the international presence in Kosovo. I am conscious of the pressure of time. The history of the area shows that when spring comes, truce tends to deteriorate. We must make maximum progress while we have the window of opportunity afforded by winter.

Mr. Mike Gapes (Ilford, South): Has my right hon. Friend read the report in *The Times* yesterday about mujaheddin fighters being seen with some of the Kosovo Liberation Army forces in Kosovo? What is being done to ensure that the agreement holds on both sides and that no actions are taken in the name of or on behalf of the KLA that would make it more difficult for the humanitarian work and verification to go ahead?

Mr. Cook: I read that report with concern. I am not able to confirm it to the House.

The killing continues in Kosovo. I regret to report that most of the killings since the Holbrooke agreement have been carried out by the Kosovo Liberation Army. Since the Holbrooke package was signed, 19 members of the Serbian security forces have been killed. Five Kosovar Albanians are known to have been killed—all of them in the full uniform of the Kosovo Liberation Army.

I cannot stress too strongly that a ceasefire will hold only if both sides cease firing. Last month, I met representatives of the Kosovo political leadership, who expressed their appreciation of the strong stand that I have taken over the conflict in Kosovo and the major contribution that Britain is making to building its peace.

All the Kosovar people must understand that the way forward for them is through the political process that we are holding out to them, not through military struggle. The current activities of the Kosovo Liberation Army will not liberate the Kosovar people, but will only prolong their suffering.

A high priority for our foreign policy in the year ahead will be to do everything that we can to build on the breakthrough in the middle east peace process secured at the Wye plantation. On Monday, the Minister of State, Foreign and Commonwealth Office, my right hon. Friend the Member for Leeds, Central (Mr. Fatchett), who is responsible for middle eastern affairs, will be attending the donors conference in Washington, where Britain will announce a package of assistance to the Palestine National Authority and the United Nations Relief and Works Agency of more than £100 million of bilateral and European Union aid in support of the peace process.

I hosted lunch yesterday for Mr. Netanyahu, when I congratulated him on his statesmanship in achieving the Wye agreement and on his courage on the start to implementing it. I also took the opportunity to point out that I am now one meal ahead in our relationship. One of my priorities for next year will be to take up the invitation that he made yesterday to have a somewhat delayed dinner in Israel.

Mr. Jeremy Corbyn (Islington, North): Did my right hon. Friend raise with Prime Minister Netanyahu the issue of Israel's nuclear weapons capability and the continued imprisonment of Mordecai Vanunu, who has suffered 11 years in solitary confinement and a further two years in prison?

Mr. Cook: I am grateful to my hon. Friend for that intervention. We have frequently raised our concerns about the imprisonment of the gentleman who was abducted from Italy, particularly about his long period of solitary confinement. The nuclear weapons issue forms part of our regular dialogue with Israel. We are anxious to ensure that we are consistent in pressing for action against proliferation.

The second objective in our mission statement was prosperity. We committed ourselves to making maximum use of the contacts of the Foreign Office to promote trade abroad and to boost jobs at home.

I inherited a Foreign Office that had experienced a prolonged and sharp reduction in its budget under the Conservatives. During those Conservative years, the number of Britain's diplomatic staff fell by a quarter. In the last Parliament alone, the Foreign Office budget fell in real terms by a sixth. The cut, accepted without argument by my immediate predecessor, was so severe that when I came to office, I found that up to 100 of the posts that had survived were permanently vacant because the Foreign Office could not afford to fill them.

This year's comprehensive spending review has produced the best settlement for the Foreign Office for six years. It provides for an increase in the Foreign Office budget in line with the average for public spending, excluding health and education, in which the Government have rightly made greater investment.

[Mr. Cook]

We have now completed our resource allocation round within the Foreign Office and I can announce the results to the House today. This is the first time in two Parliaments that the House has been able to hear a statement that provides for an expansion, not a retrenchment, in Britain's representation around the world.

We have reversed the trend of reduction in staff numbers that has prevailed for two decades. I can now appoint 200 more members of the diplomatic service, and a total of 375 more staff. Their distribution will reflect our foreign policy priorities, particularly in commercial work.

For instance, another 33 diplomatic staff will be appointed to other member states of the European Union, reflecting its dominant importance as the market to which half of all our exports are sold. There will be a further 21 diplomatic personnel in the countries that are candidates for membership of the European Union. That reflects Britain's leading commitment to making a success of enlargement and is also a recognition of the fact that, in the next few years, those countries will sit as full members of the European Union with the same ability as existing members to influence its policies.

The countries of the Caspian basin will soon be producing a tenth of the world's oil supply. Britain's current diplomatic strength in those countries is less than a sixth of the combined German and French representation. That is the result of those countries' coming to independence at the very time when Conservative policies were obliging the Foreign Office to cut staff and preventing them from responding to an increase in demand for diplomatic staff. I am pleased to announce to the House that we will be increasing Britain's representation in the region by 50 per cent.

I am also able to expand Britain's network of overseas posts. We have approved a further eight new overseas posts and we will be strengthening our commercial representation in key industrial cities in China, Japan, India and Sweden.

The fact that we are able to conduct our budget allocation against a background of increased financial resources does not relieve us of the need to scrutinise rigorously existing spending in order to make sure that we are getting best value for money. After a review of all overseas posts, we have resolved on five closures of posts, none of them sovereign posts in capitals.

In addition, we have looked hard at whether we need all our existing estate. As a result of that review, I can inform the House that we can achieve capital receipts from the sale of overseas property of £100 million. As a result of a new agreement that we have secured with the Treasury, all those receipts will be retained by the Foreign Office to upgrade its properties. As a result, this Parliament will see the biggest investment for decades in the modernisation and extension of our embassies and posts abroad, which are an important part of the image that we show the rest of the world.

I am confident that this expansion of Britain's representation will be welcome to the whole House. Indeed, it must be welcome to the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), because when I wrote to him asking which of the increased spending by the Foreign Office he would cut, he was unable to answer. He did tell me that if he were Foreign Secretary, he would drop the working families tax credit. It pains me to have to inform the right hon. and learned Gentleman that the social security budget is separately administered, and is not available for diversion to the Foreign Office. Perhaps when he comes to address the House, he could tell us which of the increases he opposes. In precisely which markets would he leave EU business with less support? In which countries would he leave British travellers with fewer places to turn to for advice? If he cannot tell us, he should regard it as his good fortune, as well as that of the rest of the country, that he was not elected to office at the last general election, because if he had been, he would have been forced to answer those questions as a result of the declining budget planned by his own party.

The final objective of our mission statement on which I want to report to the House is the commitment that we made to promote respect for Britain through the spread of our values of human rights, civil liberty and democracy. If we demand freedom of expression for ourselves, we must be prepared to speak up for those who are silenced by repression. If we insist that those who take their seats in Parliament should do so not solely because they are born into the right families, we must support those around the world who also want democracy in their government. Those principles seem to me self-evident. I am never quite clear to what extent they are self-evident to Opposition Members. They appear to ping-pong between complaining that I am too critical of regimes for which they have a soft spot and complaining just as loudly that I am not rude enough to those regimes which they regard with distaste.

We have sought in our foreign policy to give practical expression to the values that inform our domestic policy. As a result, we now have in hand a broad range of initiatives to strengthen human rights in today's world. Britain played a leading role in the success of the Rome conference which obtained massive international commitment to an international criminal court. We will now carry out the detailed work to enable Britain to be one of the first 60 countries to ratify that and bring it into force.

Britain has also worked with allies to apply a more robust policy to war criminals in Bosnia, and I am pleased to report that a majority of those currently indicted are now awaiting trial. There can be no reconciliation for peace in Bosnia while there is no justice for those who committed the atrocities of war.

Britain's pioneering work in the Philippines has now led to a wider agreement between Europe and Asia to tackle child abuse, particularly of vulnerable street children. If we are concerned about the human rights of all citizens, we must begin by protecting the human rights of children before their lives are blighted.

Within the Foreign Office, we have shifted our priorities to focus more on support for human rights. In particular, I have moved resources from the training budget for the overseas military that I inherited from our predecessors to work in support of good government and human rights—a good example of beating swords into ploughshares. As a result, this year Britain will be supporting human rights projects in more than 60 countries.

This autumn, a number of hon. Members attended events to mark the 50th anniversary of the universal declaration of human rights. Indeed, I have seen some of those present today at those events. The events were dignified and gave many people in Britain an opportunity to participate and to express their support, but the best way in which we can celebrate that 50th anniversary is by working to secure its observance in countries where it is ignored. The standards that it expresses are universal ones which apply with equal force in all cultures, races and countries. If we value our national security, we must work for international stability; if we value our prosperity, we must promote international trade; and if we value our freedoms, we must demonstrate that by supporting the same freedoms for others.

Mr. Donald Anderson (Swansea, East): Will my right hon. Friend give way?

Mr. Cook: I shall give way to my hon. Friend, but this must be the last intervention.

Mr. Anderson: We are about to have the opportunity to present our values and those of our European colleagues in terms of human rights in the moulding of the new common foreign and security policy structures within the European Union. In which ways is the United Kingdom seeking to give a human rights dimension to the common foreign and security policy?

Mr. Cook: I can assure my hon. Friend that there will be a strong human rights element in the position that we adopt under the common foreign and security policy. Indeed, over the past few months, Britain has been in the lead within the European Union in pressing for action in a number of cases of severe concern, particularly in Burma, where we have been working for a vigorous European response to the current situation. Britain has also been at the head of demanding troika visits in other areas of concern. I can, therefore, fully give my hon. Friend the assurance that human rights will be reflected not only in our national policy, but in our contribution to European policy.

Mr. Roger Gale (North Thanet): Will the Foreign Secretary give way?

Mr. Cook: No. I have given way for the last time. I have been generous in taking interventions.

We live in an internationalist age. There is no future in that modern world for the politics of little England. Neither is there a future for the politics of a wee Scotland. Britain has no way forward in the wider world if we start out with the perspective of so many Conservative Members of being as rude as possible to our immediate European neighbours.

If we are to secure our national interest, we shall do so best by contributing to a strong and peaceful international community, and by promoting international standards for justice, open markets, environmental protection and human rights. The Government are comfortable with that, as we are the natural party of internationalism. We have shown that over the past Session and we will continue to demonstrate it throughout the Parliament.

10 am

Mr. Michael Howard (Folkestone and Hythe): Today's debate, as the Foreign Secretary said, provides the House with its first real opportunity to discuss the Government's record on foreign affairs. It allows us to measure the extent to which their promises have been kept and their objectives have been met. It enables us to review the record of the Foreign Secretary, which is not as he would have us believe.

I am sure that the period since May 1997 has been a sobering experience for the right hon. Gentleman. From time to time, all Administrations face the challenge of dealing with events that they had not foreseen. No amount of preparation in opposition can fully prepare a new Government for such events as, for example, a humanitarian crisis in Kosovo or the threat posed by a dictator in Iraq.

The present Government stand out, however, for rarely can a new Administration have entered the Foreign Office with more overblown pretensions, and rarely can such pretensions have been punctured so promptly. If there is one characteristic that epitomises the foreign policy of this Government, it is the huge gulf that has emerged between the rhetoric and the reality. If there is one phrase that epitomises the foreign policy of this Foreign Secretary, it is that he talks tall but acts small.

The Foreign Secretary has his own way with the English language. His concept of truth is highly elastic, as emerged in his infamous interview in the programme "How to be Foreign Secretary". When asked about the Queen's visit to the Indian sub-continent last year, he proclaimed:

"The fact is I never said anything about Kashmir."

Michael Cockerell asked incredulously:

"You never said anything about Kashmir?"

"No, no," replied the right hon. Gentleman. Michael Cockerell asked whether the reports were wrong, to which the right hon. Gentleman answered:

"I never said anything about Kashmir. I made no public statement on Kashmir."

Cockerell said: "No public statement?" The Foreign Secretary replied:

"I gave no background briefing to the press either. I gave no press conference. There was never any comment by me on Kashmir in the whole time I was either in Pakistan or in India."

Michael Cockerell then said:

"But the Pakistani Foreign Affairs Minister confirms that you had said this privately."

The right hon. Gentleman responded:

"Oh, I had private meetings with politicians in both Pakistan and in India and, of course, I discussed a variety of issues including, undoubtedly—with both of them—Kashmir."

Mr. Denis MacShane (Rotherham): So what?

Mr. Howard: So what? We are talking about the truth and the gulf between what the right hon. Gentleman said and what actually happened.

[Mr. Howard]

The same attempt to rewrite history can be seen in the right hon. Gentleman's recent attempt to explain away his infamous boast that he does not think it necessary to finish his paperwork. In the *New Statesman* a couple of weeks ago, he was once again in denial. He said:

"It was Bevin I was talking about, not me."

However, he told Mr. Cockerell:

"I have recognised that you can be a successful Foreign Secretary if you focus on the big questions not necessarily if you finish the paperwork."

Across the world—from Sierra Leone to Sind, from Jerusalem to Jeddah—other countries have been living with the consequences of the Foreign Secretary's approach to his paperwork.

Within two weeks of the right hon. Gentleman's appointment, he had already announced a brave new world. The forum chosen for the launch of his historic mission statement was not the House of Commons but a specially arranged media event. In a fanfare of publicity, he proclaimed that Britain was entering an era in which foreign policy must have "an ethical dimension". He said:

"The Labour Government will put human rights at the heart of our foreign policy".

He also said that the mission statement

"supplies an ethical content to foreign policy."

The statement was typically arrogant. The right hon. Gentleman ignored the achievements of generations of his predecessors—achievements that included the championing of the cause of liberty behind the iron curtain at a time when he was a leading member of the Campaign for Nuclear Disarmament. He ignored the fact that British foreign policy has always had an ethical dimension.

Eighteen months later, the right hon. Gentleman decided once again to issue an important statement through the media. This time, the event was somewhat quieter in tone, marked neither by a press conference nor by a publicity stunt. Nevertheless, his interview with the *New Statesman* earlier this month was a significant landmark, as he finally announced the demise of ethics man. He announced:

"I never said there would be an ethical foreign policy".

So now we know. No one should be surprised that the right hon. Gentleman was the first British Foreign Secretary for a decade not to support a motion at the United Nations drawing attention to China's record on human rights. After all, he never said that there would be an ethical foreign policy. No one should be surprised that China's best known dissident, Wei Jingsheng, called him two faced. After all, he never said that there would be an ethical foreign policy. No one should be surprised that the Legg investigation into Sierra Leone concluded that Ministers had deliberately misled others about the effects of the UN embargo and their own Order in Council. He never said that there would be an ethical foreign policy.

Those few examples—there are many others—are not the behaviour of a Government committed to an ethical foreign policy or to a foreign policy with an ethical dimension. They are the behaviour of a Foreign Secretary who has lost his ethical compass.

Recent events in Africa provide the right hon. Gentleman with an opportunity to introduce the ethical dimension that he originally promised. The Government of Zimbabwe have once again embarked on a process of compulsory acquisition of 841 farms, breaking assurances that they gave to farmers and to western Governments on the fairness and transparency of their proposed reforms. It is even reported that President Mugabe is returning to his previous position, which was based on the incredible proposition that Britain should accept responsibility for paying compensation to farmers who have had their land seized.

Zimbabwe is now spending more than £250,000 a day on financing the war in Congo. Meanwhile, the British Government provide it with £21 million in direct bilateral assistance each year, with even more through multilateral projects. Is that support now being reviewed? Should it be diverted to other Commonwealth countries with a significantly lower gross domestic product? What of the problems elsewhere in Africa? Sierra Leone continues to be afflicted by civil war and the Democratic Republic of Congo is on the brink of a devastating human disaster. Closer to home, there is acute anxiety about Russia.

The whole House will welcome the Wye River accord, but what are the Government doing to improve the prospects of a lasting peace in the middle east? I welcome the right hon. Gentleman's announcement of the money that is to be made available to the Palestinian authority—that is excellent news—but will he now press the European Union to reinvigorate the multi-track discussions for which it is primarily responsible?

Unfortunately, the high expectations engendered in some quarters by the Government's statements on ethics are not the only ones to be dashed by Labour's record in office. At the launch of the mission statement, the right hon. Gentleman said:

"The next twelve months provide the greatest opportunity in a generation for Britain to take a leading part on the world stage".

Since then, the regularity with which he has proclaimed Britain's leadership role has been matched only by the extent to which he has failed to lead.

The Government spoke about their leadership in respect of the crisis in Kosovo. The Foreign Secretary assured the House as long ago as March that the Government had been working hard to ensure that Europe as a whole was in the lead in determining the response of the international community. Months later, Europe's reaction to that issue was summarised by the Prime Minister's official spokesman, who conceded in a press briefing at Pörtschach that, far from being in the lead, Europe had been "dithering and disunited". These views were ascribed to the Prime Minister himself.

Mr. Ben Bradshaw (Exeter): Does the right hon. and learned Gentleman recall how long it took the previous Government to do anything in Bosnia? Was it five years?

Mr. Howard: Most people will agree that circumstances in Bosnia were different in a number of crucial respects. In relation to Kosovo, we have had a series of final warnings from the Government, none of which were followed through. That was partly responsible for the devastating events which occurred there earlier this year. To listen to the Foreign Secretary this morning, one would have thought that the intervention in Kosovo had been a great success. In fact, the record in Kosovo is one of great failure, with hundreds killed, hundreds raped and thousands driven from their homes.

Seven months elapsed between the start of the appalling violence in that region and the outline agreement reached with President Milosevic—an agreement brokered, one might add, not by Europe at all, but by the special envoy of the President of the United States. Europe was unable and unwilling to show leadership—Europe had indeed been "dithering and disunited". Let us be clear—that failure was not a result of a lack of any institutional machinery. It was not a consequence of a lack of political integration. It was because the nations of Europe simply could not agree what to do.

Nowhere was the failure more marked than here in Britain. There was no greater example of dithering than the approach of the Foreign Secretary to the ban on Serbian airlines. In July, he told the House that he had introduced a ban on Serbian airlines. In September, we discovered that that was quite untrue—the Foreign Secretary had not imposed any ban, and was not intending to impose any ban for another year. There were, we were told, clear legal reasons why a year's notice had to be given.

I said that that was outrageous, as did others. Even Jacques Santer accused Britain of undermining Europe's efforts to impose sanctions on the Milosevic regime. Within days, those clear legal reasons had mysteriously vanished. What was impossible on 11 September was put into effect on 16 September. Who on earth could the Prime Minister's official spokesman have had in mind when he talked of dithering, if not the Foreign Secretary?

More recently, the agreement between Mr. Holbrooke and President Milosevic has run into difficulty. At the start of this month, the Yugoslav authorities refused to grant a visa to the prosecutor and president of the international criminal tribunal. This followed the Foreign Secretary's assurance to the House on 19 October that "full compliance" with Security Council resolution 1199 was an integral part of the settlement which had prevented air strikes from taking place, and that this resolution called on Belgrade to co-operate fully with the war crimes tribunal.

Therefore, President Milosevic is now in breach both of the agreement which averted air strikes, and of previous UN resolutions. As the Minister of State, the right hon. Member for Leeds, Central (Mr. Fatchett) explained in a recent letter to my hon. Friend the Member for Windsor (Mr. Trend), a new resolution on the issue—resolution 1207—was adopted on 17 November. I hope that the Secretary of State for Defence will tell the House when he comes to wind up the debate what response has been received from the Yugoslav authorities since then, and whether full compliance with Security Council resolution 1199 remains an integral part of the settlement which is preventing air strikes from taking place.

On Wednesday, we discussed in detail in this Chamber the response of the United States and the United Kingdom Governments to the latest crisis in Iraq. I shall not repeat today what I said then. The whole House will want to resolve the crisis in Iraq, including the latest episode, without the need to take military action. However, the situation must be resolved. As I said on Wednesday, if it can be resolved only through the use of force, the Opposition will support any action that is clearly related to achievable objectives.

I raised a number of questions in Wednesday's debate, and I make no complaint that the Minister of State was unable to answer them there and then. However, I hope that he will write to me with the answers to all those questions.

The first 18 months of the Government's term of office have included the United Kingdom's presidency of the European Union. At the start of the presidency, the Prime Minister announced that it would be an important test for Britain under the Labour Government. He said that it would be

"a test for Britain to show that we can and do offer strong leadership in Europe."

By the end of the presidency, the Members of the European Parliament had delivered their verdict on that leadership. In an unprecedented move, they defeated a motion which sought to congratulate the United Kingdom's presidency on its achievements. The vote came the day after the Foreign Secretary addressed the Parliament—so no one should have been surprised.

Britain's presidency failed completely to deliver on the key objectives that it set for itself. In place of the promised economic reform, it delivered burdens on British business through the social chapter. In place of a successful launch of economic and monetary union, it delivered fudged criteria for the single currency and a botched summit, which led the Austrians to remark that they had now learnt how not to organise a summit. In place of progress on enlargement negotiations, the Government put off all difficult decisions on key areas of reform such as the common agricultural policy.

Yet still the Government have not learnt their lesson. The Gracious Speech includes the phrase:

"My Government will play a leading role in preparing the European Union for the historic challenge of enlargement."

This promise, along with the promise to promote economic reform and job creation in Europe could have been made a year ago—indeed, such promises were made a year ago. The failure of the intervening months has not deterred the Government one jot from merely repeating them, as if the British presidency had never taken place.

Mr. John Bercow (Buckingham): Should not the Foreign Secretary have told the House whether he saw a copy of the "New European Way", drawn up by the Party of European Socialists, before it was published and whether he endorsed all its contents?

Mr. Howard: I entirely agree with my hon. Friend. The Foreign Secretary's speech was noteworthy for the absence of any reference to that document—in which, we understand, leading members of the Government took a prominent role.

It is in the area of European policy, from Amsterdam to Cardiff to Pörtschach, that the Government's failure to fulfil their promise to make Britain a leading player has been greatest. Earlier this month, the Foreign Secretary told the CBI that the Government were taking a lead in the debate on the future of Europe. Fine words indeed. However, the reality of the Government's behaviour in practice was neatly summed up by a British source, following the latest capitulation last week. The Prime Minister, he said, had decided to "go with the flow".

"Going with the flow" would be a suitable title for Labour's European manifesto. It perfectly encapsulates the Government's approach and, at a time when Europe is

[Mr. Howard]

lurching to the left, "going with the flow" is an extremely dangerous approach to adopt. We saw the result of "going with the flow" after the Government signed the social chapter. Now, they find that they oppose measures such as the extension of works councils but cannot do anything about them because they have signed away their ability to do so.

We saw the result of "going with the flow" in Amsterdam, where the Government gave up our veto in 15 areas, gaining nothing in return and directly contradicting the Foreign Secretary's claim that Maastricht was the high-water mark of integration. The Government then went with the flow at Pörtschach. As a result, an informal summit billed as a forum for discussing ways of returning Europe to the people and of entrenching the concept of subsidiarity instead discussed ways of taking Europe further from the people through further European integration and the removal of decision making from the national level.

As the chairman of that summit noted, the meeting had

"made clear the directions and set out the paths for Europe's future development . . . The single market and currency do not mark the end of European integration. That is the signal to be sent out from Poertschach."

It is little wonder that the Government had neither the courage nor the courtesy to tell the House what had been agreed.

True to form, the Prime Minister was reported to have signed up in principle to an unprecedented package of European integration, including a huge spending programme, measures to harmonise taxes and the first steps towards a European army, not because he thought that it was right for Britain but because he did not want to be isolated. He went with the flow.

The latest example of the Government's desire to go with the flow came last weekend, when they signed up to the manifesto to which my hon. Friend the Member for Buckingham (Mr. Bercow) referred, drawn up by the Party of European Socialists, including a loosening of spending limits, greater tax harmonisation and a new culture of regulation. We witnessed the spectacle of a Downing Street spokesman greeting the package enthusiastically as "a new Labour agenda". Well, if we did not know it before, we know it now: higher taxes, more burdens on business and fewer jobs in Britain and Europe are the new Labour agenda.

A Government who promised leadership in Europe are content to be carried by the tide.

Mr. Robin Cook: The whole House will be encouraged by the fact that the right hon. and learned Gentleman appears to be approaching his last page. I hope that, before he concludes, he will answer the questions that I put to him: where would he reverse the increased spending in the Foreign Office budget and where would he cut back on our representation? If he cannot answer those questions, will he admit that the budget that we inherited from the Conservatives was wholly irresponsible?

Mr. Howard: I know that the right hon. Gentleman has found it even more difficult than most of his colleagues to remember that he is in government and not in opposition, but he should know that those are decisions for Government: they are his responsibility.

Time and again, the Government's desire to curry favour with left-wing Governments on the continent has overridden the national interest. Britain's only goal as we approach the millennium is not to be left out. What signal does that send out about our leadership abilities? How will that pusillanimous attitude earn the respect either of our partners in Europe or of the rest of the world?

The reason for the Government's failure in foreign affairs is clear. It goes right to the heart of new Labour's approach. To secure election, Labour was forced to jettison every principle in which it had believed. The Government are hardly going to defend across the negotiating tables of Europe principles in which they never really believed.

The result of new Labour's penchant for fudge over principle is a trail of broken promises. The Government promised in their mission statement to base Britain's security on NATO. Today, they are putting the very future of NATO at risk with their proposals for the first steps towards a European army. They have tabled the proposals not because they believe they will improve Britain's security but as a sop to compensate for Britain's absence from the first wave of monetary union. The Government are so devoid of principle that they are prepared to treat Britain's future security as a bargaining chip to prove their Euro-credentials.

Mr. Donald Anderson: The right hon. and learned Gentleman has said that we put the future of NATO at risk by the first steps towards a European army. Would he care to comment on the response of the US Administration, which shares a certain interest in NATO, to the Prime Minister's proposals?

Mr. Howard: My hon. Friend the shadow Defence Secretary will deal with those matters in greater detail later. When we consider how the Prime Minister and other Ministers have taken the matter further and further beyond their original statements, there are very few causes for comfort. We in the House have a responsibility to make up our own minds about what has been said.

In January, the Government promised a

"12-month sustained drive to cut European red tape and produce simpler, better regulation".

Eleven months have elapsed, and British business is to be lumbered with working time regulations, works councils and the parental leave directive.

Now we are on the road to tax harmonisation. Last weekend, the Finance Minister of the next country to have the presidency said:

"It is necessary to harmonise tax policy. The unified currency area needs a fair and equal tax framework."

When the crunch comes, there can be little doubt about the outcome: the Prime Minister and the Foreign Secretary will go with the flow.

The latest self-inflicted crisis to hit this increasingly crisis-prone Government is the case of General Pinochet. There are some aspects of the case on which we can all agree: abuses of human rights should be condemned whenever and wherever they occur; but often the emergence of a country from a period when such abuses

were widespread involves a very delicate internal balance that can easily be disrupted and put at risk by action from outside.

Those considerations were entirely lost on the Government in their search for a quick headline. From the start, the focus of ministerial effort was directed at coverage in the British media. After the arrest, as a result of the usual off-the-record briefings, the press was full of references to ethical foreign policy. The appearance of the Secretary of State for Trade and Industry on television, during which he criticised claims of diplomatic immunity for the "brutal dictator" as "pretty gut-wrenching" was par for the course.

Mr. Corbyn: On the subject of ethical foreign policy, would the right hon. and learned Gentleman care to reflect on the close relationship that the previous Government had with the regime headed by General Pinochet, and their willingness, nay enthusiasm, to sell arms to it, knowing full well of the torture chambers, repression, murders and disappearances that were going on?

Mr. Howard: For much of the period, there was a Labour Government in charge in this country, and all the hon. Gentleman's observations could equally have been levelled at them. *[Interruption.]*

Mr. Deputy Speaker (Mr. Michael J. Martin): *Order.*The hon. Member for Rotherham (Mr. MacShane) keeps speaking all the time, and he should not do it. That is not what Parliamentary Private Secretaries are for.

Mr. Howard: In the light of the events to which I referred, it is hardly surprising that the Foreign Office saw the need to warn potential British travellers of a "volatile" situation in Chile and that

" feeling against Britain and British nationals is running high."

The democratic process in Chile has involved a delicate balance between supporters and opponents of Pinochet. Its development is best left to the people of Chile themselves, free from the interference of a blundering overseas Government in pursuit of a much-needed boost to their ethical foreign policy.

While democracy in Chile was put at risk, the Foreign Secretary was said by one of his allies to be smiling like the cat that got the cream. Nothing could illustrate more starkly the grotesque parody of ethics that constitutes the Government's supposedly ethical foreign policy. They care far more about the effect of their policies on their own party than the effect on the overseas country concerned.

Mr. Bernard Jenkin (North Essex): Is my right hon. and learned Friend aware that the Chilean Foreign Minister, who is currently in the United Kingdom, was himself exiled from Chile by General Pinochet but is now suing the Government for Senator Pinochet's release?

Mr. Howard: I was indeed aware of that. It is a most pertinent point.

Mr. Gapes: Given the right hon. and learned Gentleman's great knowledge of the courts and the dealings that he had with them as Home Secretary, does he not think that it would be wise to cease his interference in a judicial matter? His remarks are consistent with his actions as Home Secretary in messing up legal matters.

Mr. Howard: The hon. Gentleman's intervention merely confirms his ignorance of the processes that are under way. It is not a judicial process. The Home Secretary, it may astonish the hon. Gentleman to learn, is not a judge. It is for the Home Secretary to decide how to exercise his discretion. It is a wide discretion and he can take many matters into account.

Dr. Jenny Tonge (Richmond Park): The right hon. and learned Gentleman said that General Pinochet should be dealt with by the people of Chile. Does he agree that an international criminal court should be set up? Does he also agree that people who are guilty of grossly abusing human rights should be tried by the international community, not their own country?

Mr. Deputy Speaker: Order. No one has so far infringed the sub judice rules, but we are getting close. My clear ruling is that we may talk about relations between this country and Chile, as has been done, and we may talk about the possible effect on those relations of the decision whether Pinochet should be extradited. However, we cannot talk about any criminal charges, because they are sub judice and should not be discussed on the Floor of the House.

Mr. Howard: I believe that I can reply to the hon. Lady without trespassing beyond the lines that you have rightly laid down, Mr. Deputy Speaker. I agree that an international criminal court should be set up, but it does not yet exist and cannot therefore have any application to the case of General Pinochet. In the circumstances, my view is as I have expressed it.

As we look back on the past 18 months, we can all agree that the Foreign Secretary and his colleagues have succeeded in attracting an unprecedented array of eye-catching headlines, including "Dissident attacks two-faced Cook", "Absentee Cook broke own rules on EU meetings", "Cook stirs up trouble for Queen in India" and "Cook admits latest EU blunder".

Mr. Deputy Speaker: Order. Even though the right hon. and learned Gentleman is reading quotations, he should not consistently refer to a right hon. Gentleman by his surname. He must find a way to use the name of the right hon. Gentleman's constituency.

Mr. Howard: I have only one more quote and, as it happens, it includes the right hon. Gentleman's first name rather than his surname. It reads, "You can stop digging now Robin—the hole is big enough". For the right hon. Gentleman I fear that the hole is never big enough. His stewardship of his office has been disastrous and the entire country is the loser.

10.32 am

Mr. Donald Anderson (Swansea, East): The picture of the conduct of foreign policy in the past 18 months that has just been painted by the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) may be reflected in the fevered scribblings of some of the

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ultra-right-wing press, but it will not be recognised by any serious commentator, by our European allies, by the non-governmental organisations or by those who saw the work of the Government in the establishment of the international criminal court and on landmines or any other serious matter. Neither will it be recognised by those who observed the leadership of the Government during our presidency of the European Union.

The debate gives us an opportunity to look onwards and upwards. Alas, the speech by the right hon. and learned Member for Folkestone and Hythe looked backwards and downwards. He put together a pot-pourri of headlines from selective sources, so I suggest that he talks more widely to diplomats and Governments to get a fairer picture of what the Government have done during the past 18 months. It has been a busy time indeed.

Mr. Howard *rose—*

Hon. Members: Oh!

Mr. Howard: I am intervening because the hon. Gentleman attacked my speech. He suggests that we should consider what diplomats and Governments have said, but it was the Prime Minister of Austria who said that the summit organised by the Government was an example of how not to organise a summit.

Mr. Anderson: Whatever individual comments have been made, I suggest to the right hon. and learned Gentleman that he considers the broad picture and that when he makes such speeches, he looks ahead to the challenges of NATO and the future of Europe that face the Government, Europe and the west, instead of getting a researcher to put together various headlines from the right-wing press. It was an unworthy, backward-looking speech.

During the past 18 months, the Government have issued a mission statement which included a bold declaration of an ethical dimension to foreign policy—it was never said that there would be an ethical foreign policy, because we must balance priorities. The right hon. and learned Gentleman mentioned Senator Pinochet. When my right hon. Friend the Home Secretary makes his decision it will indeed be a quasi-judicial decision. When he exercises his discretion under the extradition legislation, he may consider the nature of the jurisdiction to which the person in question might be transferred. We have every confidence in the legal system in Spain which is a friendly country. My right hon. Friend may also consider compassionate factors and whether the health of an individual is such that it would be improper to extradite him. Perhaps Senator Pinochet should be recommended to consult the same doctor who advised Mr. Ernest Saunders. In any case, it is difficult to suggest that the usual legal processes should not be followed.

I was distressed this morning when I heard, on the "Today" programme, the right hon. Member for Wokingham (Mr. Redwood) talking of "alleged" abuses of human rights. The abuses are well documented as is evident to anyone who cares to read the reports and talk to the victims who were tortured. If anyone suggests that we should have compassion for an elderly gentleman, it should be mightily outweighed by compassion for the victims of the terror that he—

Mr. Deputy Speaker: Order. The hon. Gentleman is straying into the substance of the case against Senator Pinochet and I have already ruled that that matter should not be discussed. Relations with Chile are in order for discussion, as are the difficulties that the arrest has caused, but we must not go into the details of any crime.

Mr. Anderson: I trust that it is not infringing on the rules of sub judice to suggest that the usual legal processes should be followed.

The Government have had a crowded agenda since May 1997 and their mission statement. We saw the successful transition of Hong Kong, for which almost all the credit must go to the previous Government. Then we had the Commonwealth Heads of Government meeting in Edinburgh. I concede that the key themes for that meeting—including the welcome initiatives on non-governmental organisations and on trade—were set by the previous Government, but they were successfully continued by this Government. We then had the preparation for the presidency of the European Union which we held for the first six months of this year, and we remain part of the troika thereafter.

The presidency of the European Union established Britain's role in advancing the development of the EU in key sectors. For example, the launch of European monetary union was organised during our presidency. At the Council in May, the process was set under way and, on 1 January 1999, the euro will replace 11 national currencies. Enlargement negotiations, which are vital for the future of Europe, began during our presidency and there was no serious criticism of that process. The accession process encompassing all 11 applicant states was launched in Brussels on 30 March and accession negotiations were formally opened with the five plus one members in the first wave. That was all achieved successfully, and we also advanced various items on Agenda 2000, the Commission document of July 1997. The UK presidency showed a firm commitment to helping to build a people's Europe that is relevant. In passing, I wish to point out that the only references to Europe made by the right hon. and learned Member for Folkestone and Hythe were negative. He showed why, if we were to have a Conservative Government, Britain would be as isolated now as it was before May last year.

As we look forward to the 21st century, it is clear that Britain can no longer rely on a mainly bilateral policy. Virtually all our foreign policy must be conducted through our alliances. As we move into the 21st century, it is easy to envisage globalisation resulting in vast changes in the way in which we conduct our international relations. Managing the challenges of the next century will mean finding our way forward with our allies in key sectors to maximise our national interest through the great series of alliances that the United Kingdom enjoys because of its proud history. Those include the Commonwealth, the European Union, the transatlantic alliance—and NATO—and the series of other alliances that were a feature during our presidency.

Mr. Bradshaw: Does my hon. Friend agree that perhaps the greatest example of the effect of the transformation of our relations with our European partners was the lifting of the beef export ban? Does he also agree with the president of the National Farmers Union, who said that that was a result of the Government's re-engagement with Europe, in contrast with the previous Government's xenophobic tub-thumping approach?

Mr. Anderson: Although the solution resulted partly from scientific changes, it is clear that it was carried through because of the much greater good will in Europe towards the Government and their European position.

Mr. David Heath (Somerton and Frome): Does the hon. Gentleman agree that it was extraordinary to hear Conservative Members welcome the lifting of the beef ban while they simultaneously decried the qualified majority voting system that allowed that to happen? Were it not for QMV, there would have been a German veto.

Mr. Anderson: Of course; that is clearly inconsistency on stilts, but we hear that inconsistency consistently. In passing, may I say that I know that my right hon. Friend the Prime Minister is held in great personal esteem within the European Union and beyond? An Albanian socialist told me that one of his party's candidates had a name that recalled the old regime, so he had to change it if he were to stand a chance of election. He changed it to Tony, and won overwhelmingly.

Challenges face Europe in the 21st century. There is instability at the fringes of Europe, on the Mediterranean and in Bosnia. Parts of the middle east are a continuing source of tension, as are weapons technology and weapons of mass destruction. Terrorism, the Balkans and arrangements with Russia all require us to work in close consultation with our allies. The Foreign Secretary has already shown, over both Kosovo and Iraq, that beyond the diplomatic negotiations there must be a credible threat of force. In both those critical areas, the fact that we were prepared to use force was essential to ensuring reasonably successful outcomes.

To maximise our leadership, a positive approach to Europe has been, as my hon. Friend the Member for Exeter (Mr. Bradshaw) has said, to the benefit of the United Kingdom in relation to BSE and many other areas. I hope that our new relationship with the incoming German Government, and with Mr. Jospin and the French Government, will ensure the greater centrality of the UK within Europe. It is unwise to talk of a special trilateral relationship with Germany and France. Sensitivities are such that we must be wary of irritating the smaller countries. However, in power terms, such a relationship can carry us forward and help the UK to show its European credentials.

On defence, my right hon. Friend the Prime Minister has spoken of a new defence identity and the rebalancing of the weight of the United States and Europe within NATO—and that, contrary to what the right hon. and learned Member for Folkestone and Hythe said, has been welcomed by the United States. My right hon. Friend said at Edinburgh on 13 November:

"Diplomacy works best when backed by the credible threat of force. The maxim applies to Europe too. Europe needs to develop the ability to act alone in circumstances where, for whatever reason, the US is not able or does not wish to participate."

That relates to the NATO doctrine of separable but not separate, as applied to the rebalancing of links between the two parts of the transatlantic alliance. My right hon. Friend continued by outlining what was needed:

"First, rapid and comprehensive implementation of the European identity in NATO agreed in Berlin at the beginning of 1996. We need a European decision-making capacity and command structure which can operate rapidly and effectively if necessary.

Second, proper decision-making structures in the EU, headed by European Council readiness to take strategic decisions on Europe-only operations . . . we also need to check the institutions are right. To decide how the EU, WEU, and NATO can best mesh together. We have no preconceptions. Rather we want a new debate."

That new debate has been welcomed by the United States administration and by the key forces in the Congress. It appears, however, to be disavowed by the Opposition because of their narrow obsession with total hostility to anything with the word "European" in its title. That can hardly be good for Britain. It is a new form of isolation.

The Secretary of State for Defence (Mr. George Robertson): Given the valid points that my hon. Friend is making, may I draw his attention to the fact that the idea of the European defence policy was in the Maastricht treaty, which the previous Administration signed? In addition, one of the key architects of a European security and defence identity inside NATO was my predecessor, Michael Portillo.

Mr. Anderson: Even before that, the NATO summit in Brussels in 1991 floated the idea of a European defence identity.

Political structures are also evolving in the new Europe. Key decisions need to be taken following the Amsterdam summit, and now at Vienna, on the common foreign and security policy. We are discussing not only a Mr. CFSP—or, dare I say it, a Miss or Ms CFSP—but the planning structures that will follow. I offer my right hon. Friend the Foreign Secretary the hope that the planning structure will not consist only of people seconded from the planning departments of the Chancelleries of Europe, and that we are more imaginative in choosing the individuals concerned. Europe has an opportunity to transmit its values on human rights to a wider world, and I hope that my right hon. Friend will be as imaginative as he was in his recent speech on non-governmental organisations and the greater interchange between the Foreign Office and key NGOs such as Amnesty International and Oxfam.

We should insist on—or ensure as best we can—a strong human rights dimension in the planning structures of the common foreign and security policy. Europe can do that, and we should transmit it to every part of European policy, through the Lomé arrangements and through every form of external contact with the wider world. I hope that my right hon. Friend will give a commitment to work towards a strong mission statement on human rights within the CFSP.

On NATO, I thoroughly commend to hon. Members the excellent think piece, "NATO in the 21st century", by Senator Bill Roth. It is highly relevant as NATO approaches its 50th birthday. The organisation is 50, but still highly adaptable, and a most successful organisation. NATO is quite different from other military alliances, having effectively won a victory without firing a shot in anger. It is a unique instrument of political and military

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co-operation. NATO has shown that it can be used to build a political consensus and create military options to implement political goals. I am thinking of "Partnership for Peace" structures and others, which help to carry along the political process as we try to evolve the new Europe.

As we approach the Washington summit in April next year, when three former members of the Warsaw treaty organisation will join—the Czech Republic, Hungary and Poland were members of that organisation only 10 years ago, which shows how perspectives change even in a decade—NATO is committed to an open-door policy. However, all the smoke signals from NATO Governments suggest that there is no consensus about the admission of new members at that summit. Surely that will send a wrong signal. It could halt the momentum and lead to great disillusion and demotivation among prospective members, some of which are manifestly qualified for membership—for example, certainly Slovenia, which was the victim of broader considerations, and probably Romania.

I accept that the new countries must be providers as well as consumers of security in the frieze. However, we must look long and bold. As with the European Union, we must take risks by investing in democracy and the changes that have come about in other countries, in particular in the civilian control of the military, as NATO helps within their internal structures and with inter-operability with and military deployments for the "Partnership for Peace" and other imaginative structures. I urge my right hon. Friend the Secretary of State to give the House some sign on where we stand on enlargement as we approach the Washington summit.

NATO at 50 years old is adapting and it has done an excellent job. In the 21st century, it should be an enduring political and military alliance among sovereign states. Yes, we have to build the wider circle and to reduce—and, hopefully, ultimately eliminate—the prejudice against NATO within Russia by building on the Founding Act and working with Ukraine and the wider area. Clearly, that is a major policy area and NATO is a major instrument for us.

Finally, I tried to check how many debates of this nature we have had in the 19 months since May last year. As I said, during that time we have faced major changes and challenges in our governmental structures, for example, Hong Kong, the Commonwealth Heads of Government meeting, the Group of Eight, the Asia-Europe meeting and so forth. We have had only two general debates on foreign affairs in that time, excluding debates on Bills, Adjournment debates and Wednesday morning debates initiated by Back Benchers. That is not enough. Clearly, right hon. and hon. Members can raise foreign affairs matters in Parliament in other ways, for example, at the Select Committee on Foreign Affairs, on which the hon. Member for Somerton and Frome (Mr. Heath) serves with great distinction, and through parliamentary questions. However, if the Government are serious about debating NATO issues with Parliament, whether they are the future of Europe or the future of NATO, we have to have more opportunities for parliamentary debate.

Mr. Bowen Wells (Hertford and Stortford): I agree entirely. Will the hon. Gentleman add to his list the fact that, in spite of the fact an epoch-making White Paper on international development has been issued, there has been no debate in the House on that subject?

Mr. Anderson: The hon. Gentleman has a firm personal commitment on that subject and I welcome his remarks. There is always a danger, because of the enormous burden on the Foreign Office, that Ministers there, as elsewhere, will go native and perhaps will not recognise the role that Parliament can play. Just as the President of the United States of America had on his desk, "The buck stops here", I hope that my right hon. Friend the Foreign Secretary, who has probably appeared before the Foreign Affairs Committee more often than many of his predecessors; and I pay tribute to his work—

Mr. Robin Cook: Twice as frequently.

Mr. Anderson: Nevertheless, I hope that my right hon. Friend will have on his desk, "Remember Parliament and its contribution to these key debates."

10.53 am

Mr. Menzies Campbell (North-East Fife): First, I must apologise for my early departure from this debate as I have a long-standing constituency engagement in the early evening in St. Andrews. I have written to both Front-Bench spokesmen to apologise for my absence.

I shall particularly miss the speech of the Secretary of State for Defence. I shall read with some anxiety what he has said at this end of the week on the defence policy of the Scottish National party. He began the week by making an effective attack on that policy and it is noticeable that, once again, the SNP has declined the opportunity to come to the House to say precisely how it will fashion a defence policy. Waiting for the SNP to tell the House its policies on defence is a little like waiting for Godot, but with neither the literary nor the textual significance.

This debate is on defence and foreign affairs, although so far, for obvious reasons, hon. Members have concentrated on the latter. I do not propose to devote more than a small part of my speech to defence, because that subject and the problems affecting individual services were extensively covered in recent debates before Prorogation. Indeed, increasingly, the traditional division between defence and foreign affairs is less clear-cut than it once was. One has only to remind oneself of what Kofi Annan said when he came back from Baghdad in February and pointed out that diplomacy could be effective but diplomacy supported by the credible threat of military force was likely to be more effective. One cannot have the credible threat of military force unless one has sound defence and adequate capabilities.

However, I must raise two defence matters, and the first concerns the Territorial Army. I do not propose to rehearse again all the arguments, but it is worth pointing out once again to the Secretary of State and the House that, in a defence review that was generally well received, the one issue that attracted undiminished controversy and still provokes grave disappointment was the Government's proposal for the TA.

I shall illustrate the case for reconsideration even at this stage by referring to the consequences in two instances, one north and the other south of the border. As a result of the proposals as far as they affect the Black Watch,

whose proposed TA strength is to be reduced to 85, plus 34 in the battalion band, for which the regiment is no doubt properly grateful, there will be no TA Black Watch representation in Fife, which is one of the counties within which it frequently recruits, and, more significantly, a county that is the most productive area for recruiting. The Black Watch cannot understand why there should be such a reduction, which will remove its presence entirely from an area in which recruitment has been so successful.

The second instance arises in Liverpool, where 55 Signals Squadron is to be closed. It is fully recruited and operational and is said by those who know it to be extremely well motivated. What makes that decision difficult to understand is that the Signals' role in the TA is not to be reduced under the Government's proposals. In fact, it is to be enhanced, which will mean that existing TA centres elsewhere will have to be re-roled and infantry will have to be re-badged, while the Liverpool squadron is to be closed. Those in Liverpool who have the interests of that squadron close to their hearts find that difficult to understand, and there is deep disappointment.

Even at this stage, the Secretary of State would be well advised to reconsider these proposals, because he must be aware that, in spite of his best efforts, they have certainly not attracted the kind of welcome for which he would have hoped.

Some explanations for those reductions in the TA may be found in the fine balance of the financial basis on which the strategic defence review is founded. In particular, there are those who argue that the reduction in the TA has more to do with the sale of drill halls in areas of prime development opportunity than with other factors. All I can say on that matter, as I have said before in the House, is that it is a pretty fragile basis for financial stability to rest one's proposals on the property market, especially at a time such as this.

The other financial element, which has still not been explained fully to the satisfaction of those with an interest in these matters, is the 3 per cent. efficiency saving, which the strategic defence review imposed on all three armed services. It was described to the Defence Committee by the Chief of Defence Staff as "challenging", which, in the lexicon of Whitehall, almost certainly means "extremely difficult to achieve". I have met no one outside the Ministry of Defence who believes that it can be done. If the saving is not achieved, there will inevitably be an effect on defence capability.

We shall look to the Government in financial matters to display a rather more careful stewardship than their predecessors in relation to, for example, the Ministry of Defence computer system, which this week, we learn, was scrapped before it had ever been put into use. The conduct of that transaction was described by the Comptroller and Auditor-General as showing a lack of recognition in the Ministry of Defence of the complexity of the system required, and insufficient Ministry of Defence involvement with the contractor. If smart procurement is to work and have an effect on the financial circumstances of the Ministry of Defence, it must deal with precisely that kind of problem.

If the financial basis of the SDR is undermined, as some believe it may be, what will be the prospects for the two aircraft carriers, which are absolutely essential to the expeditionary strategy that is the centrepiece of the SDR? Those are questions of significance and importance in the defence debate, and I do not believe that we have yet received sufficient information on which we can make a rational and informed judgment about the likelihood of the Government's objectives being achieved.

I shall deal with a number of foreign affairs issues, and start with arms exports. There can be no greater test of a Government who rightly claim a foreign policy with an ethical dimension than the way in which they deal with the export of arms. A foreign policy with an ethical dimension requires that ethical considerations are not the sole responsibility of the Foreign and Commonwealth Office. A foreign policy with an ethical dimension towards the arms trade will be severely undermined unless it commands the adherence of the Ministry of Defence and of the Department of Trade and Industry—Departments whose priorities will frequently diverge from those of the FCO and which often have a preoccupation with arms exports for political or economic reasons.

I believe that we could easily create a Select Committee of the House of Commons whose task would be to monitor policy on arms exports and scrutinise individual applications for export licences, as happens in Sweden, one of the world's significant arms-exporting countries. It is barely two and a half years since the publication of the Scott report. It is beyond question that, if the export of arms-related equipment to Iraq had been the subject of scrutiny by a Select Committee, the change in policy deliberately concealed from Parliament would have been exposed.

A Government pursuing a foreign policy with an ethical dimension have nothing to fear from parliamentary scrutiny of their arms export policy. If we can have parliamentary scrutiny of Government communications headquarters, Cheltenham, and of the intelligence services, surely we can have scrutiny of defence and the export of defence and defence-related equipment, without prejudice to the national interest. Parliamentary scrutiny should embrace concerns over human rights violations, internal instability, regional or international conflicts and unnecessarily high military expenditure.

I assert that no Government who have breached the norms of civilised behaviour should be entitled to receive arms exports of any kind from the United Kingdom. No dictatorship that systematically violates human rights, and uses torture and repression as instruments of government, should ever have been, or should ever be, a customer of the United Kingdom in the matter of the export of arms.

I shall discuss Iraq, about which there was a full debate on Wednesday; I have read the *Official Report*. Since 1991, Saddam Hussein has entered into agreement after agreement to meet the obligations to divest himself of weapons of mass destruction. He has systematically broken all those undertakings, sometimes within a few weeks or days of entering into them. He has consistently flouted the authority of the United Nations and, in his most recent acts of defiance, he has undermined the credibility of the office of the Secretary-General.

Why is it that, nearly eight years after the end of the Gulf war, the task of verification is still not complete? It is because of the systematic, deliberate and provocative defiance by Saddam Hussein. It is clear beyond any reasonable doubt that the purpose of that prevarication is to retain the means of production and delivery of weapons of mass destruction—not only to be a hero in the streets of

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Arab capitals, but to have at his malign and unpredictable disposal the means of threatening his neighbours with the most terrible consequences if they resist his ambition.

It is in those circumstances that we ask, "Are we justified in using military force if Saddam Hussein declines to fulfil his obligations?" I believe that we are—and not out of some intemperate enthusiasm for the use of military force; nor should we use military force to demonstrate our boldness, out of some sense of frustration, in an emotional spasm or because of some sense of revenge. Military force itself is not a policy however. My concern is that the impression has grown up that military force, or the threat of it, is somehow a solution. It can only be a means; it can never be an end in itself. Military force, if it is used now, should be used against the background of clear objectives. I shall state those objectives, because, although there was some discussion about what they might have been in February, there has not been significant public discussion of objectives since then.

The first objective should be to reduce the current capacity to manufacture weapons of mass destruction; the second should be to suppress and inhibit any future capacity to do so; the third should be to inflict serious damage on the military infrastructure that sustains a regime that continues to defy the United Nations. Those are the legitimate objectives of the use of military force.

An important feature of the recent crisis has been not express, but tacit support in many Arab capitals, born out of exasperation. We should remember, however, that that exasperation comes with considerable sympathy for the plight of the Iraqi people. We will be able to retain that support only if we make it clear, first, that there must be full compliance with all Security Council resolutions—including those relating to the return of people illegally and illegitimately taken from Kuwait—and that full compliance will result in the removal of sanctions.

Secondly, we must make it clear that there is no determination to go beyond the United Nations resolutions and to link removal of sanctions with the removal of Saddam Hussein. The Security Council resolutions do not provide for that, but the position of the United States on that matter has, from time to time, suggested that it believes that the proper course was to go beyond the terms of the resolutions. Thirdly, we should go out of our way to facilitate humanitarian assistance and, fourthly, we should behave in an even-handed way throughout the middle east.

All of us desperately hope that the agreement struck between Mr. Netanyahu and Mr. Arafat in the United States will stick, but there is one continuing part of Israeli Government policy that has the capacity to derail that agreement: Israeli Government policy on settlements. I hope that, when the Foreign Secretary had lunch with Mr. Netanyahu, he took the opportunity to remind him of that. If he did, he would have done no more than maintain the position consistently adopted from the Dispatch Box not only by this Government but by their predecessors. The settlement issue lies at the heart of the anxiety of the Palestinians. They believe that their determination to seek a homeland for themselves is systematically undermined by the policy of settlements.

I have some reservations about the adoption of a policy that we should actively seek the overthrow of Saddam Hussein. I have some concern about the legal basis for the overt support of exiled Iraqi groups trying to bring down the present regime by violent means. In this connection, the legislation that we passed in the summer needs to be examined with care. It is necessary to show some fastidiousness about those with whom we associate, as the freedom fighters of today can easily become as repressive as the regimes that they replace.

I very much regret that the Gracious Speech contains no reference to the need to promote the cause of disarmament, particularly with respect to nuclear weapons. I do not place too much stress on a detailed textual analysis of the Speech, but the absence of a reference to disarmament can legitimately be described as disappointing. In 1995, when the nuclear non-proliferation treaty was indefinitely extended, the then five declared nuclear weapons states reaffirmed their commitment to make systematic and progressive efforts to reduce nuclear weapons globally, with the ultimate goal of eliminating them. That is the objective.

This is an area in which the United Kingdom could take a lead, both moral and pragmatic. Limiting the Trident system to the Polaris warhead levels is a start, as was the signature of the comprehensive test ban treaty. We heartily approve.

Sir Peter Emery (East Devon): Does the hon. and learned Gentleman agree that that is consistent with the resolution adopted in Edinburgh by the North Atlantic Assembly—all 16 members of NATO—who are working towards that form of nuclear armament solution?

Mr. Campbell: In acknowledging that, I pay tribute to the right hon. Gentleman, who is a member of the standing committee of the North Atlantic Assembly and has been extremely active in these matters. He promoted a resolution through the last meeting of the North Atlantic Assembly, with which he will no doubt deal in more detail. In that resolution, he underlined the need for financial assistance in order to keep existing nuclear weapons in certain parts of the world safe as they deteriorate lack of proper maintenance and as a result of control.

What about promoting a nuclear weapons register? The Foreign Secretary endorsed the idea in opposition in April 1995. What about serious efforts to promote a strategic arms reduction treaty for all states with nuclear weapons? I remind the House that it is clear that, as a result of economic pressure, the Duma and the Pentagon are now rethinking nuclear policy, to the extent that the Pentagon is apparently contemplating recommending that the United States could go below the permitted levels in the strategic arms reduction treaty 1—START 1. Surely if the economic pressure is such that reduction is in the mind of nuclear weapons states, this is a propitious time for fresh initiatives.

There is one reference in the Gracious Speech that excites my attention, my admiration and even, I suppose, my disbelief. That is the reference to the common foreign and security policy. Regular attenders on these occasions will know that I have from time to time made speeches on the topic of the common foreign and security policy. Even I, optimist that I am, would have to acknowledge that they have not always been well received in the House.

The Prime Minister's speech to the North Atlantic Assembly in Edinburgh, and his article in *The Washington Post*, which was mentioned earlier, are a welcome recognition of the need to improve co-operation in European defence. One might even describe it as an example of constructive government.

What is required is a European security and defence identity that allows Europe to maintain an effective partnership with the United States, but is sufficiently developed to enable Europe to handle crises such as Kosovo. Not only has Michael Portillo spoken on the subject, but Lord Hurd said recently that we need a Europe which in relation to the United States is

"a valid partner, neither a rival nor a satellite",

a theme that he repeated in the Churchill lecture at the Guildhall earlier this week before a distinguished audience that included the shadow Foreign Secretary, whom I did not hear dissenting publicly from Lord Hurd's proposition, although later he may have raised the issue with him privately.

Mr. Howard: Does the hon. and learned Gentleman recall that my noble Friend Lord Hurd said in his extremely interesting speech that it was not as a consequence of an absence of machinery that Europe was not providing a valid partnership—precisely the point that I made this morning?

Mr. Campbell: Interpreting not just the language, but the body language and the temperature of what the right hon. and learned Gentleman said, it would have been a little difficult to perceive him as being in precisely the same camp as Lord Hurd on the issue. I am happy to let the record show where the right hon. and learned Gentleman stands.

The right hon. and learned Gentleman is right to make the point about institutions. Any debate about increased defence co-operation must not be allowed to grind into the quicksand of an interminable wrangle about a possible institutional framework. Increased co-operation will arise out of political will. It is right for the Government to say that now is the time to try to assemble that political will.

Lord Hurd made another point of substance, which was that an acknowledgement by the countries of Europe that they need to take defence seriously in order to further a common foreign and security policy requires them to accept that they cannot have the political influence without paying for the military capability. That means resources. If we are serious about greater co-operation in European defence, we must look around Europe and see the levels of gross domestic product at which defence is currently funded by some of those who are apparently the most enthusiastic advocates of greater co-operation. They cannot have the political influence unless they are willing to pay the military and the financial price.

Mr. Jenkin: Does that not underline the futility of the hon. and learned Gentleman's policy? How could Europe mount a serious operation—for example, in the former Yugoslavia—without the communications, command and control, and heavy lift capacity provided by the United States? Is it realistic to contemplate our investing in such infrastructure in Europe, when all the countries around Europe are reducing their defence budgets, as we are?

Mr. Campbell: The hon. Gentleman has allowed two facts to escape his notice. First, the strategic defence review proposes the acquisition of four C17s or their equivalent, by way of heavy lift capacity, and the acquisition of roll on/roll off ferries. One of the most welcome aspects of the strategic defence review, in so far as it seeks to promote an expeditionary strategy, is that the Government seem to be bent on acquiring the capability necessary to support that strategy.

The second point that the hon. Gentleman omitted in his customary zeal to be part of the debate was that the concept of combined joint task forces was accepted as long ago as 1995 by the United States. NATO resources—command and control, intelligence and heavy lift—would be made available to the Europeans for operations in which the Europeans had an interest in participating, but which were no part of the responsibility or the interest of the United States.

We should always be grateful that the United States helps in situations such Bosnia and Kosovo. We should be ashamed that that help is necessary. The total spent on defence in what we used to call western Europe shows that we do not have the political will to make more effective use of resources.

We shall judge the Government's foreign and defence policy over the period of this Parliament on its merits, and where the national interest is served we shall support them. If we believe that they have fallen from even their own high standards, we shall say so. We consistently supported the previous Government on the Maastricht treaty, because we believed that it was in the national interest to do so. That will drive our attitudes towards the foreign affairs issues that arise in the next 12 months.

We shall try to hold the Government to the ethical dimension of their foreign policy. I doubt whether we shall be quite as partisan as the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), but I do not believe that the country would expect that of us, any more than it expects it of him.

11.21 am

Mr. Jeremy Corbyn (Islington, North): I welcome the debate. I endorse the view of the hon. Member for Hertford and Stortford (Mr. Wells), who wanted debates on specific areas of foreign policy such as development and international trade policies, which have just as much impact on world affairs and on the affairs of this country as the issues that will be raised in this debate.

We should consider the problems facing the world, and what contribution we are making to solving the difficulties. I believe that one of the most important issues facing the planet is environmental destruction, which continues despite various conventions and the Buenos Aires climate summit. The gap between the richest and poorest in the world is growing, and the increasing impoverishment of many of the poorest people in the poorest countries will come to haunt us as a richer country. It cannot be right that some parts of the world have falling living standards, falling life expectancy and increasing poverty. Linked to that is the systematic abuse of human rights around the world, which often leads to armed conflict when regimes abuse human rights and try to oppress their people.

I hope that those matters will be debated in the near future in the international economic arena, because the multilateral agreement on investment talks broke down owing to the differences between the north and the south,

[Mr. Jeremy Corbyn]

and over environmental issues. We need to develop policies for a sustainable planet and ensure that human and other forms of life survive, because they depend on each other. We cannot do that at the same time as encouraging a rapidly increasing use of fossil fuels, transport around the world and a growth in trade, which we know full well cause enormous damage to the environment. Agreements on investment and trade must be focused more on environmental concerns than on the needs of global corporations, which seem to be running the world's trade system.

In Europe, we are subjected to constant pressure from business to reduce labour costs and to increase competition and investment. Much of that demand is driven by the conditions in low-wage economies, where few rights are enjoyed and low unit labour costs apply. At the end of this century and into the next, we should strengthen the work of international institutions such as the United Nations and, particularly, the International Labour Organisation, to eliminate child labour across the planet and to ensure the basic rights of people at work to join trade unions and to have representation. Because those rights are denied in many countries, working conditions are bad, which pulls down the working conditions of people in more developed economies in other parts of the world.

I want to refer to defence spending. Before Opposition Members get too excited, I shall declare—goodness knows how many times I have done this—my membership of the Campaign for Nuclear Disarmament. I joined it at the age of 15, I have never left it and I have no plans to do so, and I am a member of its national council. That is all on the record, so my views are well known.

As the hon. and learned Member for North–East Fife (Mr. Campbell) said, there was no mention of disarmament policies in the Queen's Speech. We are one of the five nuclear weapons states. We have apparently decided to go ahead with the Trident submarine fleet—as we went ahead with Polaris—and have maintained an American nuclear weapons capability for a long time. Will the Secretary of State for Defence, when he winds up the debate, say something about the cost of the Trident fleet? The money that has been spent has sustained the American defence industry in preparation for its next tranche of orders. Will my right hon. Friend confirm that there will be no orders for any other nuclear weapon system when Trident finally reaches the end of its life? As a gesture towards a peaceful future and nuclear disarmament, will he detarget Trident, take it off patrol and consider eventually decommissioning it?

If we are serious about a non-nuclear world, we must take some steps in that direction. The new agenda coalition resolution that was put to the United Nations is a good step forward. It was supported by a wide variety of countries: Brazil, Egypt, Ireland, Mexico, New Zealand, Slovenia, South Africa and Sweden. The resolution includes the words:

"Believing that the proposition that nuclear weapons can be retained and never used—accidentally or by decision—defies credibility, and that the only complete defence is the elimination of nuclear weapons and the assurance that they will never be produced again, Concerned that the nuclear-weapon States have not fulfilled speedily and totally their commitment to the elimination of their nuclear weapons".

I am disappointed that that resolution was not supported by the British Government or by any of the nuclear weapons states.

Unless we seriously discuss disarmament issues through the forum of the United Nations, who are we to protest when India, Pakistan, Israel, South Africa and other countries develop the capability of producing—if not produce—nuclear weapons? I participated in the debate in the House in July, which totally and absolutely condemned the nuclear weapons testing by India and Pakistan. We were right to do so, because it was a waste of resources.

It is appalling that countries that desperately need money for education, health and development spend money on nuclear weapons. We must recognise that they are saying that if it is good enough for five nuclear weapons states to expand their nuclear capability—in Britain through the acquisition of the Trident submarine—it is good enough for them. Are not our protests difficult for people in those countries to take? We must do far more about nuclear disarmament, otherwise the non-proliferation treaty will mean nothing, because it will be broken with impunity by a large number of nations.

I intervened on the Foreign Secretary's speech to raise the issue of Israeli nuclear weapons. I have no truck with Iraq or any other country in the region that holds weapons of mass destruction. I am no supporter of or apologist for Saddam Hussein. We should be equally critical of Israel for having a nuclear weapons programme, and for the abominable treatment of Mordecai Vanunu, who had the courage and honesty to say what was happening in Israel. For his pains, he was hijacked from Rome, tried by a secret court and imprisoned. He has spent 11 years in solitary confinement and two years in a more normal prison environment. He is a prisoner of conscience. He has gained nothing from it: he merely blew the whistle.

We should examine what the United States is doing with its plutonium-powered Cassini project, which is a sling-shot nuclear device through space. It is unnecessary to use plutonium in space unless there is a military purpose—unless it is thought somewhere in the Pentagon that the total high ground might be the nuclearisation of space. That gives great cause for concern. I hope that the British Government will raise the issue in international disarmament talks.

I absolutely agree with the point that the hon. and learned Member for North–East Fife raised concerning arms sales. If we, as a country, allow arms to be sold to countries that abuse human rights, that have dictatorial Governments, and that have no respect for freedom of speech, freedom of association and all the provisions of the universal declaration of human rights and the convention on the rights of asylum in the Geneva convention, we are hardly in a position to complain about those abuses of human rights. It is a bit thin if we complain about human rights abuses in Indonesia when we have provided planes and weapons that have been used against the people of East Timor. Likewise, we are providing arms to Saudi Arabia and Bahrain, both of which have appalling human rights records. Similarly, I suspect that the war in eastern Turkey is not helped by the provision of arms to the Turkish army by many western countries.

As we approach the end of the century, we should aim to reduce military spending, to spend nothing on nuclear armaments and to look towards a more peaceful future.

The Italian Parliament is actively investigating a proposal for an alternative peace tax, equivalent to conscientious objection. Such a tax would enable people to pay their money in for peaceful purposes—for UN-type peacekeeping operations, and for a more peaceful and peacekeeping role for our armed services instead of the more aggressive role that they currently play.

I have tabled several questions to the Ministry of Defence and the Chancellor of the Exchequer on the issue of diverting money raised from taxation into purposes more peaceful than that of subsidising the development of the United Kingdom arms industry. That would be a good direction to take as we enter the 21st century, as an alternative to increasing arms production and, with it, the likelihood of wars. An awful lot of wars are going on in the world at any one time—largely driven by the demand for resources, and largely fuelled by the imbalance of wealth and power in our planet.

My second general point concerns human rights. The hon. and learned Member for North–East Fife suggested a Select Committee on arms expenditure and arms sales throughout the world; there is some merit in that. There is also a strong case for a parliamentary commission or parliamentary Select Committee on human rights issues worldwide, to give us more direct, hands-on experience of dealing with the issue. The Foreign Affairs Committee has to deal with foreign policy, human rights and the United Nations at the same time. I am not criticising the Committee; I am suggesting that there should be greater parliamentary scrutiny of human rights issues throughout the world. Such scrutiny takes place in many Parliaments.

Some countries regard human rights as partly a development issue—they argue that human rights are all about providing food, water, shelter, education, hospitals and housing. There is some truth in that. Indeed, the universal declaration of human rights says that human rights include all those aspects.

I do not want to detract from the status of human rights as a development issue, but in my opinion it is fundamentally wrong to suggest that human rights abuses never take place in developed countries. It is wrong that independent free trade unions do not exist—or that their leaders are arrested—in China, and that a free press does not exist in China and other countries. We must raise the issues of human rights globally. The universal declaration of human rights is now 50 years old, yet human rights continue to be abused pretty badly in an awful lot of places. That is one of the causes of refugee flows, but it is more likely to bring to power oppressive regimes that prevent people from expressing their views because those people know that, were they to do so, their views would be contrary to those regimes and the oligarchies that support them.

I welcome the Government's view that human rights are at the heart of our foreign policy, but they must be effective at the heart of it. That means taking hard decisions. I return to my point about arms sales. If we are serious about preventing human rights abuses, why are we selling any arms to Indonesia, Saudi Arabia and other nations that abuse human rights?

I am well aware of Madam Speaker's ruling on sub judice concerning the Pinochet case. However, it is right and proper for us to discuss the situation of Chile and relations between Britain and Chile. I have taken a close interest in Chile for a very long time. I regret to have to tell the House that I first visited Chile 29 years ago; I have followed the situation there closely ever since. Many of us, throughout the world, had a sense of enormous hope in 1970 when, in Chile, a Government were elected who were trying to conquer poverty in Latin America and promote land reform and free education. Many of us have a horror of the visions of 1973—of British-built war planes bombing the elected president out of office into death, and of the loss of life that occurred thereafter.

The other night, I heard Harold Pinter say on television that the situation in Chile was the equivalent of having a Fred West-type cellar in every town, as people were taken away and tortured, never to be seen again. That horror lives on in the lives of ordinary people in Chile. They are looking not for retribution, but for human rights and justice. A democracy is strengthened by an investigation of its past and by bringing to justice people who have committed vile and gross acts of torture. That is what the current debate and campaign must be about. Between 1973 and 1990, the British Government, to their shame, provided arms to the regime.

Although current international law may be inadequate in many ways, earlier this year, we set up the process for an international criminal court. That is a very important step forward. International tribunals may be the logical way forward. Surely, as a planet, we must say that, when people commit gross acts of violation of human rights, when thousands die, when thousands disappear, when books are burnt in the street and when tanks gun down protesters in the street, something must be done, and there cannot be a hiding place for those who perpetrate such crimes.

I hope that the people of Chile see some justice. If one has lost family and friends, and witnessed such violations of human rights, one expects the rest of the world to do something. If human rights are violated, it is not a matter for any one country. In 1945, the Nuremberg tribunal was set up because what had happened was a matter not just for Germany, but for the whole world. Equally, what happened in Cambodia was a matter for the whole world. There are many other unfortunate examples.

I hope that, as we near the end of the century, we shall be far more serious about human rights. Individual countries may have to pay an economic price for such seriousness. However, if we thereby make the world a better and safer place, so that dictators do not rise up with such ease and are not funded so liberally by so many vested interests worldwide, we shall have done something useful.

Mr. Bradshaw: Will my hon. Friend join me—and, I am sure, the whole House—in condemning the disgraceful, prolonged physical attacks on a BBC camera crew in Santiago the day before yesterday? Will he also join me in urging the Foreign Secretary, when he has his meeting with the Chilean Foreign Minister today, to express his displeasure in the strongest possible terms?

Mr. Corbyn: I absolutely agree with my hon. Friend. I hope to do the same. The picture of supporters of the far right in Chile beating up someone who was merely trying to record an event tells a story about the mind-set of a very small minority of people in Chile who behave in such a way. The majority of people in Chile want an examination of past human rights abuses and want justice for the victims.

[Mr. Corbyn]

I hope that we shall have more discussion and debate about foreign policy. We will address the issues of the global environment, the growing gap between the richest and poorest, and north and south, and the elimination of poverty for the poorest people throughout the world. I welcome the objectives set by the Department for International Development in the elimination of global poverty. We must realise that, unless we play our part in disarmament, in peacemaking, in protecting and expanding human rights and in the redistribution of wealth throughout the world, we shall suffer. We have a responsibility to operate on the globe, as well as within the national arena.

11.40 am

Sir Peter Emery (East Devon): I rise to make two major points. Before I do so, with my procedural background, I say that I have always felt that these should be debates, not just set speeches, and I will follow two of the points on environmental matters that were made by the hon. Member for Islington, North (Mr. Corbyn).

The House knows that I normally try to sit through the whole of a debate. I apologise to hon. Members who will come immediately after me, but I have an appointment at Charing Cross hospital, which I have to attend. I am on the national health and I am marvellously served; I will be back for the winding-up speeches.

Mr. Corbyn: Don't be late.

Sir Peter Emery: I will not be.

One of the points that I wish to make is of supreme importance, but the first concerns the Parliamentary Assembly of the Organisation for Security and Co-operation in Europe, in which the British delegation plays a particular part. Many people do not realise that the Parliamentary Assembly of 54 nations is the largest parliamentary assembly outside the United Nations. It takes in both Warsaw pact countries and the Commonwealth of Independent States countries in Asia minor. Every member was a founding member, which is not the case with those who are invited into the Council of Europe, Western European Union and so forth. Its work involves conflict prevention, crisis management, post-conflict rehabilitation, and promoting democratic values in certain nations where those are not as strong as they might be. Its major role in election processing and monitoring is something that I hope the Government will continue to support.

I pay tribute to the president, a Danish lady, Mrs. Helle Degn, who is carrying that office with considerable dignity. Her call at the last conference for the investigation and prosecution by the International Criminal Tribunal for Former Yugoslavia of crimes against humanity that were committed in Bosnia, noting Belgrade's obstruction of the efforts by the tribunal to investigate those alleged atrocities, must be looked at, so that those who refuse to co-operate with international efforts to bring such people to justice face severe consequences and can themselves be held accountable for their acts. I hope that the Government will pursue that aspect of support for this international mission because that is one of the ways in which we can ensure that those who have been responsible for certain vile acts against humanity in Bosnia and in Serbia—in Kosovo—are brought to justice.

I turn to something that is of greater consequence than any single thing that has been raised in the Queen's Speech. Between 12 and 15 nuclear reactors in eastern Europe are operating entirely unsafely and are likely to be in a position to cause immense damage. This matter falls into the defence side of the debate, which I believe the Secretary of State for Defence will be answering.

An emergency resolution has been passed at the North Atlantic Assembly. I pay tribute to the fact that the Secretary of State, at great inconvenience to himself, came to the assembly, and that Madam Speaker, your boss, Mr. Deputy Speaker, also came and made an excellent speech, going back to her role with the North Atlantic Assembly, which was of particular interest.

A sub-committee of the science committee visited Vienna only three weeks ago to see the International Atomic Energy Agency. That, as I am certain hon. Members know—I only remind them—is charged with the surveillance and supervision of nuclear plants to ensure that they operate safely and cause no danger to the rest of the world.

At that meeting, we were informed that 12, perhaps 15, nuclear reactors were operating unsafely. You will not be surprised to hear, Mr. Deputy Speaker, that the whole of the sub-committee was shocked, even amazed, by those facts. The question was asked: why is that so?

We were informed that, although there are programmes to put the reactors right, they were not proceeding as one would wish because of lack of money. We said, "Surely money must be made available," and civil servants at the agency said, "Yes. We agree. You politicians must take action to ensure that it can be made available." It is for that reason that I raise the matter today.

I immediately accept that there has been a policy for an extra budgetary programme of European dimensions, where about £700 million has been put in by many European countries; I believe Britain's contribution has been as large, if not larger, than that of any other country. That record may be good, but the trouble is that that money is not enough.

Might I, therefore, remind people of the tragedy that one saw at Chernobyl? The damage was so excessive that the land within 30 miles of the explosion will still not be available for use for another 20 years. The extent of the fatalities and the medical effect on thousands of human beings, including children, and children still unborn, is still not finally known.

The environmental damage is such that the problems have extended to this country from the Ukraine: to Wales and, with a nuclear shower, to a part of Scotland. It is only this summer that beasts in that agricultural area have been allowed to go to market; this is many years after the event, so the environmental damage is unbelievable.

If one or two of the reactors that are unsafe, and known to be unsafe, were to explode or to go critical, the damage to Europe would be disastrous. It would devastate parts of Russia and eastern Europe particularly. That would, in many instances, be fatal, but its extensive effect on the rest of western Europe would be shattering.

The cost of repairing such damage would be 1,000 times, if not more than 1,000 times, greater than the cost of having to provide the money for safety. Such safety would cost no lives, whereas a nuclear breakdown would cost thousands, perhaps many thousands, of lives.

Whatever the cost, what would be the position if there were a major catastrophe at one of those known-to-be-unsafe reactors? Would not our constituents say to us, "Did you know about this?" One would have to say, "Yes," and they would then surely have a right to say, "What have you done about it? How have you allowed that to happen?" It is for that reason that I urge the House and the Government to ensure that the nuclear safety issue is given the priority that it has not been given so far. It is so essential that we do so.

Nations that safely operate nuclear plant have to realise that the public must be made to understand that nuclear energy can be made safe. Public belief in the safety of nuclear plant is essential if we are to continue with such plant, as may well be necessary for environmental reasons, for many years to come.

At the end of 1997, 437 nuclear plant units were in operation—with a total installed capacity of 351,000 MW—and 36 units were under construction. John Ritch, America's ambassador to the IAEA, told us in Edinburgh:

"Another accident right now would sound the knell of nuclear energy."

Nevertheless, that is not the primary point; it is a minor one compared with the catastrophe that lurks, at every moment of the day and night, unless safety measures are implemented to make safe that which is unsafe.

There was in Edinburgh, as I said, an emergency resolution that I had the honour of presenting to the North Atlantic Assembly. The resolution states quite clearly and definitely that we believe that certain plants need to be closed. However, they cannot be closed immediately, or the lights in those areas would be switched off. No Government can do that until there is a replacement. Therefore, plants that will have finally to be closed down must be made safe now, and money must not be allowed to stand in the way of ensuring Europe's safety.

Currently, there are 12 Russian-type reactors in operation: two WWERs in the Slovak Republic, four in Russia—in Kola and Novovoronezh—and two in Bulgaria; and there are two RBMKs in Leningrad and two in Kursk. The reactors are, therefore, spread right across the north and south of Europe; no part of Europe would be unaffected.

The North Atlantic Assembly standing committee has unanimously supported the resolution, which urges the Governments of states in which the plants are located and member Governments and Parliaments of the North Atlantic Assembly to consult, individually and collectively, with the IAEA to formulate courses of action to remedy safety deficiencies in those nuclear plants, and to make the necessary resources available to implement those courses of action, thereby averting potentially catastrophic nuclear accidents. That was our resolution. I urge the Government to give all support and to do everything they can to ensure that we take a lead in giving effect to it.

As the committee chairman, I shall be writing to the Prime Minister or Foreign Minister of every one of the 16 nations in the North Atlantic Assembly. I hope that, by the end of this debate, I shall be able to say that I have the Government's absolute support in trying to take positive action to address the issue.

The United Kingdom Parliament must highlight the dangers. As Members of Parliament, we must reinforce efforts urging our Government, and other Governments, to ensure that thousands of acres of our European land are not made unusable. We must ensure our safety, and the safety of our families, our children and our children's children. Surely nothing, but nothing, in the Queen's Speech could be more important.

11.55 am

Mr. Mike Gapes (Ilford, South): It is a pleasure to follow the speech of the right hon. Member for East Devon (Sir P. Emery), and to concur with the remarks that he just made. I remember how I felt in 1986 when the Chernobyl disaster occurred. I am sure that most hon. Members will whole-heartedly agree with his comments.

I am very pleased to be able to speak in this debate. Every year since being elected to the House in 1992, when I made my maiden speech in the debate on the Loyal Address, I have tried to speak in that debate. Last year, I could not, because there were so many new hon. Members, so I am especially delighted to be able to make a reasonably comprehensive speech today.

I should like to begin with a few remarks that are related, albeit somewhat tangentially, to foreign affairs. I am a London Member, and I am absolutely delighted at the Government's commitment on legislation to create a Greater London authority so that this great city—like most of the world's major cities—will be properly governed under citywide government. Creating the authority will right an historic wrong done by the former Government in 1986. It will also ensure that—after many years of inadequate representation in the European Union, and ineffectiveness in lobbying and in attracting inward investment—London will at last be given a voice in the world. We shall introduce modern government to London that will not directly mirror the structures that were used in the 1980s. That is an important point to remember as we prepare for the candidate selections and the elections.

I should like to deal with another, somewhat tangential point that also is relevant to this debate. I have about 4,500 refugees in my constituency—from Somalia, Zaire, Iraq, Kosovo, Bosnia, Angola and many other countries. One problem that has been drawn to my attention is the activity of corrupt and incompetent people purporting to give advice on immigration and asylum, not only to refugees and asylum seekers but to those who require immigration and visitor visas or who are involved in family reunion cases. Such "advisers" take money even for documents that are available free of charge from the Government, and claim that they can obtain judicial reviews of cases that are palpably a complete waste of time. To make money, they exploit the legal aid system, the legal system and my constituents.

Hon. Members on both sides attempted to raise the issue in the previous Parliament. Tough action is overdue against the so-called immigration advisers and even solicitors who know nothing about immigration law and give bad advice, exploiting many people. I welcome the commitment to modernise the law on immigration and asylum. As well as adopting dispersal policies, so that some London boroughs, including mine, do not have so

[Mr. Mike Gapes]

much pressure on education, social services and housing, we must try to help those who need legal advice by cracking down on fraudulent and incompetent so-called immigration advisers.

The overall context of this debate is our relationship with the 185 or 190 other states in the world. I should like to concentrate on two short paragraphs in the Queen's Speech. My hon. Friend the Member for Swansea, East (Mr. Anderson), the Chairman of the Foreign Affairs Committee has already dealt comprehensively with the first of those, on NATO. I shall not repeat what he said.

The other issue is the reform and funding of the United Nations. Britain's role in the United Nations is central. It has become increasingly important for international security, peace and development. Unfortunately, far too few people in this country are aware of the gamut of activities of the UN and the great work that it does. As Britain is a permanent member of the Security Council, one might think that our public would be well educated about the UN system and its activities. Unfortunately, that is not the case. Far more can be done to highlight the important declarations and work of the various UN organisations.

I was delighted that one of the first acts of the Labour Government was to take this country back into membership of UNESCO, which I had fought for in a Committee in the previous Parliament. I am also delighted that we have stopped the Conservative Government's plans to withdraw from some other UN bodies. That shows a commitment to the UN system. I know that the Government have worked hard. They pay their dues. To be fair to the previous Conservative Government, apart from their ridiculous following of President Reagan out of UNESCO, they also paid their dues to the UN regularly.

Mr. Robert Key (Salisbury): I am the most recent Member of Parliament to have been a UK national commissioner for UNESCO, appointed by the previous Government. They decided to withdraw not for obscure reasons, but because there was massive mismanagement of UNESCO. I looked forward to and now welcome our re-entry. It is not right to paint the issue as black and white.

Mr. Gapes: I was a member of the Foreign Affairs Committee in the previous Parliament. Various Ministers came before us, including the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg). We were told that, even though all the changes that had been requested of UNESCO had been brought about under Federico Mayor, the Conservative Government still would not take us back in. When we asked why, we were told that the Government could not afford it. It required only £10 million from the Foreign Office overseas development budget. The continued use of that argument was absurd. The changes were brought about three years after the Government withdrew, but the Conservatives refused to take us back in for several more years. That wrong has now been righted.

Mr. Corbyn: My hon. Friend may not remember, but in 1986, when the Government withdrew from UNESCO, there was a debate on the issue here. I believe that the real reason for our withdrawal was that UNESCO was promoting a news agency that would have a sense of news values that reflected the views of much of the world's population, rather than the wishes of a minority of people in western Europe and North America. That is why Reagan and Thatcher were so opposed to UNESCO.

Mr. Gapes: That was one of the arguments, but there were also administrative faults in the structure of UNESCO, and we should recognise that. The Government said that they had withdrawn because of those faults, but they did not take us back when the changes were brought about by Federico Mayor.

This year is the 50th anniversary of the universal declaration of human rights—a document that deserves far greater publicity. I am delighted that in the next two weeks there will be a number of events to celebrate that. Members of both Houses have been involved in a committee to gain publicity for those activities. The United Nations High Commissioner for Human Rights, the former Irish President Mary Robinson, will be in Britain on Monday. There will also be events the following week to highlight the universal declaration of human rights.

It is essential to give that prominence, and to challenge the view of some despots—whether or not they were elected—including Mahathir Mohamad in Malaysia, that western human rights values differ from those in Asia and east Asia. We have heard that argument from China, Malaysia and the former regime in Indonesia. In time, the people in those countries will make it clear by their protests and their actions that there is no such distinction, and that universal values must be respected.

It is not a matter of imposing western values on other cultures. United Nations declarations are extremely sensitive to the diversity of cultures and religions. On Wednesday night I chaired a meeting of the United Nations parliamentary group on religious tolerance. There were speakers from many world religions, including some small religions that might even be described as cults. They all remarked that our meeting on 25 November was held on the 17th anniversary of the adoption by the UN General Assembly of resolution 36/55, the declaration of the elimination of all forms of intolerance and discrimination based on religion or belief.

It is important to recognise the need to respect diversity. We live in a world of 190 countries where there are many potential disputes and internal conflicts on matters such as self-determination and separatist aspirations. If we agree that in any state a group can secede and break away because of its different religious belief, linguistic basis or ethnic origins, the logical outcome will be conflict, civil war and disaster in human terms. We have seen it in the Balkans, and the same could happen elsewhere. We know what happened in the former Soviet Union and we are aware of the conflicts in Sri Lanka and the Indian sub-continent. There are potential difficulties in many parts of the world, including the United Kingdom. As has been said, it is unfortunate that the Scottish National party is not represented in the Chamber today, but that does not surprise me, as those who take a narrow-minded, nationalist view of the world are not interested in international debates.

We have to be tolerant and sensitive. Many of my constituents were born in other continents and my constituency has many different places of worship. It is

essential that we do not replicate in Ilford or elsewhere in Britain the line of control in Kashmir or the Wailing Wall in Jerusalem, so we must live together harmoniously.

Today's debate is relevant to many people living in the United Kingdom who have come from a wide variety of backgrounds, whether their parents came here to work, to marry or as asylum seekers. Many of my constituents are here because their parents or grandparents fled from Austria and Nazi Germany in the 1930s. We must strengthen the laws on incitement to racial hatred and increase our efforts to build harmony and tolerance in Britain and internationally.

I now turn to some specific international issues. On the European Union—

Mr. Bercow *rose—*

Mr. Gapes: I see the hon. Member for Buckingham (Mr. Bercow) jumping up and down in anticipation, but he should wait until I say something about Europe before he intervenes.

Agenda 2000 is now an important consideration; the enlargement of the European Union will have serious financial and political implications for the European institutions and their accountability. The problem is that the political processes are not fast enough to deal with the economic changes that are already happening. That is inevitable; it has happened internationally as a result of globalisation and it is happening in the European Union as a result of the single market and the imminent introduction of the single currency.

I agree with the recent statement of German Foreign Minister Joschka Fischer that we should seriously consider how national Parliaments can be represented in the decision-making processes of the European Parliament. He floated the idea of a second chamber made up of national parliamentarians. As a member of the Foreign Affairs Committee in the previous Parliament who attended meetings at which parliamentarians from the member states were brought together, I recognise that there is no adequate mechanism for dialogue between national parliamentarians. We are all busy and have our own focus of attention, yet we do not have the information that we need adequately to scrutinise and monitor European legislation. I know that changes are proposed for the way in which the House deals with that, but we need contact with our fellow parliamentarians for a political overview. The proposal by the German Foreign Minister merits serious consideration.

Other remarks by Mr. Fischer in the past few days have given me cause for concern, although I am not clear whether he was speaking as the leader of the German Greens or as the Foreign Minister of the new coalition Government. His idea for a European army will be little more than naive rhetoric if that army is not backed by substantial resources and a commitment to real defence capabilities from other European states.

This country, with the French, provides the European wing of NATO with serious military capabilities; the other EU states together do not provide anything like that commitment. That is one of the reasons why Britain and France have played the leading European role in the coalitions that have been built up to deal with international crises. If the German Government are serious about the development of a stronger European defence capability, they will have to recognise that that capability must be based not on paper resolutions or words but on financial commitment. However, I see no prospect at the moment of such an increase in resources.

I am wary of any proposal for a stronger European defence capability that is only theoretical, as it will send the wrong signal to the isolationists and nationalists in north America who want drastically to reduce their commitment to global security and to NATO. The issue must still, unfortunately, be sensitively handled. I know that the United States Administration want Europe to play a greater role in the Atlantic alliance—so do I—but that must happen incrementally; it must not be based on grand rhetoric. I want a stronger Euro-Atlantic partnership—a form of left Atlanticism in which Europe has a stronger voice. However, that must be based not on paper resolutions but on reality.

Kosovo has been mentioned, and what happened there, and in the former Yugoslavia generally, shows how far we have to go if we are to get real co-operation quickly. I intervened earlier on my right hon. Friend the Foreign Secretary to refer to a report in yesterday's edition of *The Times* about mujaheddin fighters being discovered by journalists in Kosovo. That is a worrying development. Clearly, some people have an agenda that will not lead to a peaceful resolution of the conflict, or to the implementation of the UN resolutions or the agreement brokered by Mr. Holbrooke.

According to the agreement, there are supposed to be elections in Kosovo within nine months to determine the representative body to represent the views of the people there. I cannot see how we can organise elections on any kind of democratic or fair basis when armed gangs are going around the countryside assassinating the police, and shooting people and driving them out of their homes, which they then burn down. They may be representatives of the Kosovo Liberation Army or people from the Serbian armed forces.

We must make sure that the Organisation for Security and Co-operation in Europe observers are given the protection that they need; otherwise, as has been implied, their arrival in the region will not be as speedy as is necessary to secure the proper verification of the agreement. We might then get into spring, with the thawing of the snow and the potential for renewed conflict, as we saw in Bosnia.

In Bosnia, all sides, including Serbs and Muslims, lied, cheated and carried out atrocities—particularly the Croats. We must be clear that, in Kosovo, there is the potential for real disaster if there is inadequate international support. Stopping the guns going in and stopping freelance mercenary and fanatic groups is part of that process.

The situation in Kosovo has highlighted the need for our armed forces to have adequate capabilities to do their job. There are increasing demands on them, not just in the defence of this country but in the role we play in UN peacekeeping missions and humanitarian work—an increasing function of the Army, the Royal Navy and, occasionally, the Royal Air Force.

It is essential that we have the best possible communications equipment, and here I launch a further plea for the importance of my own constituency in manufacturing the new radiocommunications system for the British Army in the Archer project. Ministers will be aware that I have raised this matter several times in recent

[Mr. Gapes]

months, and I will continue to do so. I hope that the work that we have done in the UN on such matters in the past few years will be enhanced, and I am sure that it will be.

We face a world in which conflicts are increasingly within states, where it is far more difficult to make decisions as to when or how to intervene. One difficulty is knowing—once one has intervened—how long to stay there, and in what circumstances to get out. It is far easier to make a commitment to send forces into a conflict to keep the sides apart, or in a humanitarian relief operation, than it is to say, "Things are going so badly that we must extract troops." Any commitment could last 15 or 20 years rather than six months or a year.

Mr. Desmond Swayne (New Forest, West): Does the hon. Gentleman agree that underlying any commitment must be the ability to deliver on it? Given that 10 per cent. of our forces in Bosnia were Territorial Army personnel and that the Regular Army is at an all-time low, 5,000 under strength, how will any future engagements be manned?

Mr. Gapes: There is a limit to what any state can undertake. For example, the Conservative Government chose not to send people to Somalia; despite our historic association with Somaliland, they decided that, because of other commitments, we did not have the capability. I believe that the changes in the strategic defence review will mean that the Territorial Army will be more able to provide support for real military functions; it may be smaller, but it will be better trained, with more highly motivated and committed people willing to take on those functions.

Mr. Corbyn: Has my hon. Friend considered that it might be a better idea to have a number of troops permanently assigned to UN duties, so that when an emergency comes up—such as the one in Somalia or, more recently, in Rwanda, where more troops could probably have saved many lives—we would not have to have lengthy discussions about the logistics and there would be a straight decision whether the available troops should be deployed?

Mr. Gapes: That was proposed by Boutros Boutros Ghali in the "Agenda for Peace" document in 1992 or 1993, I believe. At that time, the British Government's response was not positive, but the present Government are more positive about preparatory work. We have only regular forces, but countries with conscripts in their armed forces have a problem because serving abroad is a different commitment from serving for the defence of one's country from within.

The matter needs to be examined, because we cannot be in the position of having to wait up to six months to put together the political consensus to send a multinational force to a region in which people are dying or atrocities are being committed. Political mistakes were made in the United Nations over Rwanda.

The recent agreements in the middle east are most welcome. The Wye Plantation agreement continues the Oslo peace process. I have followed the developments closely, have had discussions with leading players in Israel and in the Palestinian Authority and have visited the West Bank and Gaza as well as Israel, and I am delighted—and surprised, because I did not think that it would happen—that the right-wing Likud Government have endorsed the implementation of this phase of the process.

We must hope that there are no further difficulties over the next few months and that the final status negotiations can begin, so that there can be a comprehensive agreement between Israel and the Palestinians, which will provide an opening for a comprehensive middle east settlement, allowing the people of the region to develop trade relationships, cultural contacts and dialogue of the kind that have developed in Europe under the European Union and in the context of the post-second world war settlement. I am aware that there will be difficulties, but the British Government have an important role. I visited the office of the British Council in Gaza three years ago, with my right hon. Friend the Member for Leeds, Central (Mr. Fatchett), now the Minister of State. We formed a joint deputation from the Labour Middle East Council and Labour Friends of Israel. The people of the British Council whom we met were doing an excellent job and the council has an important role to play in promoting the English language to assist teachers in the middle east and the rest of the world.

When my right hon. Friend the Secretary of State replies to the debate, I hope that he will refer to the overall situation of the middle east peace process. Countries such as Iran are testing long-range missiles and, although I welcome the recent political changes in Iran, I need some convincing that the Iranian Government are committed to a comprehensive peace process. I am also concerned about the continuing existence of terrorist groups in Lebanon and elsewhere which are sponsored and supported by Iran. I hope that our Government will, as promised in the Queen's Speech, continue to take strong action against international terrorism from wherever it comes.

12.26 pm

Mr. Bowen Wells (Hertford and Stortford): I will try to be brief, given how many hon. Members still wish to speak in the debate. However, as this is the only opportunity I shall have to comment on the Gracious Speech, I want to preface my remarks by saying that I found coverage of the first day's debate alarming for the prestige of the House and the future of our democracy. My right hon. Friend the Member for Richmond, Yorks (Mr. Hague) made a superb speech—one of the best speeches that a Leader of the Opposition has given—but when the Prime Minister and my right hon. Friend appeared on television later, the political commentators said that the debate was a draw. That was not the impression received by anybody who judged the matter objectively.

I bring that point to your attention, Mr. Deputy Speaker, because it is a continuation of the downgrading of respect for the House in favour of the unelected journalists who practise political commentary on television and radio. Indeed, the "Today" programme's presenters appear to have usurped the position of the elected Opposition by saying that it is their job to call the Government to account. That is a dangerous trend in our public affairs and we must put a stop to it. As part of that, perhaps we should introduce a rule that all speeches in

the House, including those by Front Benchers, should be restricted to 10 minutes. Today, the Front-Bench spokesmen took half an hour each, and so has one Back Bencher. That means that many people who were elected to the House on a equal footing will not be able to speak.

Last week in Brussels, Mr. Jacques Santer said that British Ministers had agreed that Brussels could impose taxation on the British people, although the Chancellor of the Exchequer had said the previous day that he would resist any attempts to harmonise taxation systems. If the European Commission President can make laws for and impose taxes on this country, how can the House govern as the people elected us to do?

The European Elections Bill, which was reintroduced to the House today, proposes to downgrade our democracy by the adoption of closed lists. I shall not go further into that process, but it will downgrade our democracy and the ability of individual voters to influence who is elected to the House and who sits in the Government.

I want briefly to refer to some of the depressing announcements in the Queen's Speech. First, general practitioner fundholding is being abolished in favour of a system that will deliver control of the health service to bureaucrats and those who work in the health service at the expense of patients. In the recent past, patients have come first. Indeed, the health service has never been better delivered in my constituency than under the GP fundholding and national health service trust system. That announcement seriously reduces the ability of individuals to receive good services.

Secondly, I was worried that there was no mention in the Queen's Speech of action to abolish the appalling regional planning system in which committees—the south-east regional planning committee, Serplan, in the case of my region—decide how many houses should be built in each of our constituencies and counties. The Deputy Prime Minister promised a complete review of that system in order to abolish the system of assessing need, then providing the houses that the assessment suggests. There is a proposal by the British Petroleum pension fund to build a mini new town of 18,500 houses in my constituency—the north-of-Harlow new town, as I call it. That would coalesce Sawbridgeworth with Bishop's Stortford and Harlow.

I was also disappointed by education measures. Abolition of grant-maintained status will downgrade standards and the capacity of individual children to receive the appropriate education. All those are depressing aspects of the Queen's Speech.

In my 10 minutes—less if I can press my remarks into a smaller amount of time—I would like to bring to the House's attention the issues that principally concern the Select Committee on International Development, which I am proud to chair. My main theme is the change in emphasis and approach that is taking place in the international development world, summarised in "Assessing Aid", the most recent report of the World bank policy research team. The document's analysis suggests that aid can be effective—delivered so that gross domestic policy rises in the host countries and poverty is addressed—only if there is good policy in every area in the host countries. That means good governance, a good legal system that can be relied on to be objective, an absence of corruption, good health policies directed towards those who need them most in the poorest and most remote areas, and good education policies in the same direction. Unless good governance and good institutions are adopted enthusiastically by the country that will play host to international development flows, no effective development can take place.

I agree whole-heartedly with that analysis, but it has consequences in terms of interference in the sovereign affairs of those countries. Countries whose policies we believe not to be capable of bringing about development, and of whose Government, or health policies, or education policies we do not approve, will not be given our assistance towards helping their poor people out of the desperate circumstances in which they live. Although I agree that that is so, it is a dangerous policy to follow to its logical end. If that happens, apart from giving emergency humanitarian aid, we will be doing nothing to help the millions of poor people living under dictatorships in possibly the worst governmental conditions. Therein lie some serious dangers, which we must handle carefully.

On the other hand, some countries are adopting policies that are so corrupt and which so undermine the capacity of poor people to pull themselves out of their difficulties, that we must stand up to them in a co-ordinated way. By we, I mean not merely Britain, but the international financial institutions and all the bilateral programmes. We must stand together to prevent that sort of corruption from continuing.

Kenya is an obvious example. I do not know how many times the aid world has rebuilt the road from Mombasa to Nairobi, but it needs rebuilding again. Why? Because it is not properly maintained and because senior politicians in the Kenyan Government own the trucks which run on it. They do not obey the rules on the weights that the lorries can carry, so those are thoroughly overloaded and the road is collapsing. They also own many of the operations in the port of Mombasa, which is very corrupt. It is not our job to rebuild that road unless Kenya reforms. In the aid world, we are being pulled in different directions by difficult problems which need careful handling.

I should have liked to explore certain issues a little more, such as third world debt, on which the Chancellor of the Exchequer and the Secretary of State for International Development are pushing in the right direction. They follow in the footsteps of my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), the former Chancellor of the Exchequer and Lord Lawson, who also adopted advanced policies. We are in advance on the matter. We are way ahead of the thinking in the United States, Germany and Japan and we must continue to pursue the ideas that the Chancellor has put forward as regards forgiving third-world debt—not merely writing it all off, but forgiving debt if a country has the right economic policies, has no corruption, has the rule of law and democracy, and if, therefore, we have a promise of getting the right framework for the policy to help in rebuilding the country, although it is not the only means of doing so.

In the Gracious Speech, the Commonwealth Development Corporation private-public partnership was mentioned and I welcome that, but the devil is in the detail. If the corporation is to be loaned more funds from the markets at higher interest rates than those to which it has been accustomed, it must increase its return on capital employed, which may well destroy its function as a

[Mr. Bowen Wells]

development corporation. Again, we will have to watch carefully and I hope that the Government will give the House the opportunity to adopt the new procedure of having a pre-legislative Select Committee consider the Bill. Then, we will be able to get it right, provided that the Government give us the details of the memorandum and articles of association and the way in which the corporation will be financially structured.

Finally, on the implications of poverty focusing in the international development programme, we must concentrate on gender issues, which are sensitive. To get the poverty focus right, we must tackle those questions. Well over half the people in abject poverty are women, many of whom have no rights—no land rights and no rights of succession. They have poor health and the death rate in childbirth is appalling. They live in terrible conditions in which to bring up children. Unless we can give them basic education and health and can enable them to bring up their children and give them a proper education, we will never achieve the aim that we have set ourselves of reducing abject poverty by a half by 2015—an objective that I thoroughly endorse.

12.40 pm

Mrs. Linda Gilroy (Plymouth, Sutton): My remarks on the Gracious Speech will address three key issues: the present situation in the Gulf, the strategic defence review and, linked to those, the European Union and enlargement.

As Member of Parliament for a constituency with such a fine naval tradition, I never cease to be impressed by the sheer professionalism, commitment and adaptability of our service men and women. Watching the pictures of Royal Marines from HMS Ocean and HMS Sheffield working minor miracles in Honduras after the devastation of Hurricane Mitch, I was sure that I was not the only person in Plymouth to feel a sense of pride.

We often forget what a difficult and dangerous job our service personnel have. It is only when a crisis flares up, as it has in the past month in the Gulf, that we remember why we need them so badly, yet some people still ask why we take such a strong line in the Gulf. I do not think that many of the hon. Members in the Chamber will do so, but the reason is simple: Saddam Hussein has to be stopped from developing his deadly arsenal of chemical and biological weapons—and stopped once and for all.

No one should forget that that brutal dictator has already used those weapons, not only against neighbours but against his own people. Despite the best efforts of the United Nations to put a halt to Iraq's weapons development programme, Saddam Hussein has consistently lied, cheated and deceived its weapons inspectors. The responsibility for the recent crisis therefore rests with him, and him alone.

The international community has already gone the extra mile to avert military action, as was shown by the agreement brokered by the Secretary-General of the UN, Kofi Annan, earlier this year. Saddam Hussein violated the agreement, to which he had willingly signed up. We cannot allow him to enter into binding agreements and then break them with impunity and go on with his activities. There was not merely a technical, but a substantial, breach of the agreement. It is clear from the evidence that, if unchecked, he will try to develop weapons of mass destruction. The evidence uncovered by French and Swiss officials of the attempt to decontaminate warheads is further proof of that.

We must continue to be prepared to back up diplomacy with force. It is not the authority of Britain or of the United States that is at stake, but the authority of the United Nations. UNSCOM inspectors have an immensely difficult job to carry out.

My constituency has strong naval traditions. In my maiden speech last year, I welcomed the strategic defence review, which was at its beginning, and commended the city's long track record to my right hon. Friend the Secretary of State for Defence. I also invited him to take full account of it, and I am pleased that he has fulfilled our expectations. The SDR has been widely welcomed nationally, and I shall cite a local response.

The commodore of the Devonport naval base, Commodore Jonathon Reeve, said:

"I believe the centre of amphibious excellence is good news for the Royal Navy and Devonport . . . This was a full Strategic Defence Review and we are pleased it has put the Navy at the centre of the defence of the United Kingdom into the next century and new Millennium."

He went on to add that the amphibious support ships and the new review meant that Britain had the best Navy in the world, after America. That is strong support.

Internationally, too, there has been admiration for the way in which our strategic defence review has been foreign policy-led and based on unrivalled openness of discussion with all parties. On my visit to the United States, defence advisers expressed their admiration for the process during a meeting, and that admiration, which was not only for the general approach, was clear. They also thought that they had much to learn in respect of their quadrennial review, especially from the way in which we involved the defence industry in the review.

Plymouth is now home to the Flag Officer, Sea Training. Last month, I attended the base to observe the crew of HMS Northumberland taking part in a disaster relief exercise. Such an exercise takes place approximately once a month, and it is impressive and realistic. The crew helps the village of Bullpoint to cope with Hurricane Hetty, tackling fires, problems with water and sewerage, collapsed buildings, civilian casualties and the general confusion and fear of the civilian population. It was topical at the time of my visit, as the Honduras disaster was at its height. We should all be proud of the unrivalled skill and ability of our service women and men to respond to such situations. The FOST base at Plymouth provides deployment and disaster training for 15 or 16 navies from across the world.

It is reassuring to have some of the world's disaster experts on our doorstep. On 12 August next year there will be a full eclipse of the sun, which will be observed in various parts of the globe, including Plymouth and Cornwall. The hon. Member for Truro and St. Austell (Mr. Taylor) predicted an emergency situation. I am not sure whether his dire predictions will come to fruition as hundreds of thousands—perhaps millions—of people flood into Cornwall. I feel sure that the police and our emergency planners will find ways of coping, but as I said, it is reassuring that we have on our doorstep such world experts in dealing with disaster, should the worst-case scenario that some envisage materialise.

The strategic defence review has rightly been widely welcomed and complements the much more positive role that my right hon. Friend the Foreign Secretary has promoted for our country in Europe. The origins of the European Union were strongly rooted in the belief that trade relations have a vital role to play in developing and cementing peaceful relationships between nations that were once at war.

Enlargement of the European Union will develop that principle in the next millennium. As a member of the Select Committee on European Legislation, I have had the opportunity to meet representatives from the applicant countries, in the House and in some of those countries. I am impressed with the way in which they are working to fulfil the conditions of the acquis. It will be a costly process. The right hon. Member for East Devon (Sir P. Emery) mentioned the challenge that many countries, including some of those applicant countries, face in dealing with nuclear reactors that power their energy.

To stay within the 1.27 per cent. budget ceiling, it will be essential to ensure reform of the agriculture budget. The recent success in negotiating the end of the beef ban must give us a far better basis from which to do that. We are in the early stages of that debate, but at least it has started, as has the other key debate on the need to find future institutional arrangements to ensure that we have effective means of scrutinising what is done in our name.

The past 18 months have been a challenging period for our new Government in foreign affairs and international development, and the next 12 months are unlikely to be less challenging. The work of the strategic defence review and the re-establishment of our credibility in the EU are a good base from which to meet that challenge.

12.48 pm

Mr. Peter Brooke (Cities of London and Westminster): It is a pleasure to follow the hon. Member for Plymouth, Sutton (Mrs. Gilroy). She comes from a city with a notable naval tradition.

My uncle, who served in the war, used to go to Plymouth every year for the reunion of HMS Norfolk. In the days immediately after the war, it was still possible for clergymen to have maids. My aunt's maid revealed that her brother, who was doing his national service, was serving in HMS Abominable. My aunt constructed an entire class of ships to go with HMS Abominable—HMS Intolerable, HMS Impossible and HMS Unspeakable. The marvellous thing about them is that they all sound like 18th-century warships.

The debate on the Queen's Speech was opened for the Government in time-honoured tradition by the Prime Minister, just as he drew down the curtain on the last Session at Prime Minister's questions on 18 November. On that occasion, he rehearsed among his defences of the closed-list system the argument the majority of other EU states used it for the European parliamentary elections.

I was brought up on the thesis that the two great contributions that this country has made to western civilisation were political wisdom and lyric poetry—strands that happily come together in that other distinctive British contribution, the game of cricket. When I think back over the past two centuries, I cannot imagine Pitt the Younger or Palmerston, Beaconsfield or Bevin, Churchill or Gladstone arguing that the British should adopt a particular stance simply because others were doing so. That is political imitation, not political initiative. Its lacklustre quality as an argument was a harbinger of the Queen's Speech.

To return to lyric poetry, the language of the Most Gracious Speech has shown no evidence of deriving from the language of Shakespeare or Wordsworth. Its three watchwords, no doubt honed by some spin bowler, are "modernise", "reform" and "pursue". Most of the modernisation occurs in the first third of the speech. After

"the modernisation of the country"

in the opening paragraph, the Government are modernising our welfare state in paragraph 2, the law of electronic commerce in paragraph 6, and the justice system and the youth courts in paragraph 10—although another Department is overhauling the justice system in paragraph 11 at the same time as it is modernising legal aid.

In paragraph 12, we have "the challenges of modernisation", and in paragraphs 13 and 14 the Government are modernising the welfare state and benefits for widows. Exhausted by this frenzy, all they can do in the remaining two thirds of the speech is to modernise local government—although not too fast, as if fatigue were striking—and the law on immigration and asylum in paragraph 28. I pay tribute to the hon. Member for Ilford, South (Mr. Gapes) for his references to those measures.

The role of reform is the mirror image of modernisation. There are only two references to it in the first half of the speech. International financial institutions receive reform in paragraph 3, and benefits for long-term illness and disabilities in paragraph 14, but where modernisation flagged in that same paragraph, reform strides forward with what is euphemistically described as a process of reform of the House of Lords in paragraph 24, party funding in paragraph 25, the appeals system on immigration and asylum in paragraph 28, the common agricultural policy and structural and cohesion funds in paragraph 32, economic reforms in paragraph 34, building up to the climactic reform of the United Nations in paragraph 36.

Pursuit follows reform in its place in the speech, but is used more sparingly, as if the Government were getting more and more tired. They pursue "sound public finances" in paragraph 5, but cannot summon up the energy for pursuit again until they

"pursue their initiative to make the European Union's foreign and security policy more effective"

in paragraph 33—although we have good reason to know, from its absence from the strategic defence review debate, how elusive that initiative was and is.

In paragraph 35, the Government

"will also actively pursue a resolution to the problems in Kosovo."

That must at least promise to represent an advance on their policies in the previous Session. In paragraph 36, the Government

"will pursue reform of the United Nations."

I note that, by omission, foxes, too, will not go unpursued.

The effect of all that verbal energy has been to leave the Government looking exhausted 18 months into their term. There was admittedly one moment of animation during the opening salvoes of the debate on Tuesday. On

[Mr. Peter Brooke]

the Friday of the previous debate on the Loyal Address in May 1997, I concluded my speech by quoting the surrender of the last royalist army in the field in 1646, when Sir Jacob Astley handed over his sword to the parliamentarian commander with the words, "You have beaten us. Now go fall out among yourselves." As we know, that has happened in the past 18 months.

This week, the animation occurred when the Prime Minister said something with which his colleagues on the Treasury Bench could at least agree. A nodding of heads occurred along the Bench, in a Mexican wave suggestive of small dogs in the back windows of hitherto stationary cars in a jam on the M25 that are suddenly hit by a gust of Hurricane Mitch proportions, so that all the dogs start nodding at once. It was a vivid index of relief at an issue on which the Government could be in agreement.

I hope that I have not been out of order, Mr. Deputy Speaker, by referring to the Queen's Speech as a whole. I am conscious of the fact that, just as Winston Churchill said that a pudding must have a theme, so today's debate has departmental themes. In that context, I comment on certain ironies in the Queen's Speech relating to the outside world. In paragraph 3, the Government believe that their economic policies will make

"the United Kingdom well placed not just to weather the international financial storms but to emerge stronger from them."

That robust consequence reminds one of the legendary Provost Phelps of Oriel college, who was overheard on the rim of a cold bath saying, through chattering teeth, "Be a man, Phelps, be a man"; but the Government's hope that they will emerge stronger from the international financial storms presumably carries the correlation that others will emerge weaker, which does not sound wholly communautaire.

Similarly, part of the golden legacy bequeathed by the previous Government was a massive magnetism of London as a tourist destination. It is a little surprising that the present Government have so devastated that reputation that, in paragraph 22, they have to justify the range of powers for the Greater London Authority by saying that they will

"help make London a world class city"—

a condition that Londoners have long believed we already possess. I realise that only two London Members sit in the Cabinet, supported by just two London Ministers of State, but I do wonder whether those members of the Government personally cleared that humiliating wording.

In paragraph 32, there is a reference to ensuring

"that . . . EU . . . institutions meet the concerns of our citizens."

I do not know whether small focus groups have been consulted on that ambition, but one has only to look at dedicated opinion polls to see how large that ambition is, when confronted by the exasperation of so many of our citizens at how the existing EU institutions work.

As for EU policies, for which the Government have the same ambition, I congratulate the Government on their resolution in relation to the London art market, not least in my constituency, to which I make unpaid reference in the Register of Members' Interests, but I despair of the European Commission's actions, through the introduction of droit de suite and VAT on works of art imported into the EU, in driving the art market off shore from the EU and, incidentally, driving the EU's supporters in this country to despair.

The Queen's Speech does not often dwell in detail on defence matters, and this year's is no exception. Like the hon. and learned Member for North-East Fife (Mr. Campbell), I want to allude to the recent debates about the Territorial Army and, in a narrow constituency capacity, to thank the Secretary of State for Defence for his eventual dispositions towards the Territorial Army centres in my constituency. I will acknowledge that his overall decisions caught me a little by surprise, but surprise is the essence of most successful gifts and, perhaps more relevantly, it is a military virtue.

I am more sceptical about the virtues of surprise in the field of diplomacy. Whatever the downside of perfidious Albion as a soubriquet down the years, there is no shortage of contemporary suitors for our hand in temporary and longer-term alliances, not least perhaps because of our military prowess in its widest sense. It does seem important in this context that the world should know clearly where we stand on a wide range of issues, as I acknowledge that it does on the issue of Iraq.

Lip service is paid to clarity elsewhere in the Queen's Speech. In paragraph 13, the Government could not make it verbally clearer where they stand:

"My Government has made clear its determination to modernise the welfare state upon clear principles".

One might say that that was as clear as could be, until one realises that the fog has not yet lifted for the clarity to be visible. I have previously quoted to the House Balfour's verdict on Asquith that his well-known lucidity of style was a positive disadvantage when he had nothing particular to say. Because the dilemma that the Secretary of State for Social Security has in making himself clear has a read-across into clarity in foreign affairs, I remind the House that, in J. M. Barrie's "Peter Pan", Mr. Darling starts out as a benevolent father—Barrie's stage direction at Mr. Darling's first appearance, in Act I of the play, is germane to the DSS, for it describes Mr. Darling holding Mrs. Darling's hand while he calculated whether they could afford to have Wendy, and coming down on the right side—but, by Act V, Mr. Darling has been relegated to the dog kennel. We must hope that the Secretary of State does not reach the doghouse too before the Session is out.

I cannot improve on my right hon. Friend the shadow Foreign Secretary's dissection of the Foreign Secretary's personal conduct of affairs abroad, but whenever he goes abroad I am reminded that his namesake Thomas Cook's first commercial initiative was to build a funicular railway to the summit of Mount Vesuvius. Our Foreign Secretary, and thus our foreign policy, live similarly dangerously. Incidentally, I do not begrudge him the obvious satisfaction that he derives from the extra resources at his command, and I am delighted by our greater representation in the Caspian basin, but I notice that he switched from fractions to percentages to disguise the fact that we shall still have only a quarter of the combined representation of the French and Germans in that quarter.

Words uttered in battle are rarely recorded for posterity, but, by chance, we have both Sir Colin Campbell's orders at Balaclava in 1854:

"93rd! 93rd! Damn all that eagerness"

and his orders at the relief of the Lucknow residency a few years later:

"Lie down, 93rd! Lie down! Every man of you is worth his weight in gold to England today."

It is that sort of consistency that should inform our face to the outside world and communicate to that world the issues on which we can be relied upon, not least because, again, our military resources, so well husbanded by Sir Colin Campbell, are so well respected in the world.

I add a footnote about General Pinochet, who was recently my constituent at the London Clinic. Like the hon. Member for Islington, North (Mr. Corbyn), although perhaps for more pastoral reasons, I visited the demonstrations against the general outside the clinic. I had reservations about demonstrations outside a hospital where some other patients were dying, especially when some placards that were visible from the windows of the clinic said, "We will drown the dictators in their own bloodbath," but I had a mild sense of deja vu: other placards stating "Smash imperialism" seemed to have been recycled from earlier campaigns.

The heart of my concern in the debate is that the world should not be left in doubt where this country stands and that we should ourselves not be surprised. Not for us the dying words of General Braddock when ambushed by the Iroquois in 1763:

"We shall know better how to deal with them next time".

The Prime Minister, whose European Union policy was described by my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard), the shadow Foreign Secretary, as going with the flow, is said to admire Baroness Thatcher. No one was ever in any doubt where she stood. Just as she did not surprise others, nor was she ever caught by surprise. This country earned the world's respect as a consequence.

1.2 pm

Mr. Roger Gale (North Thanet): As a member of the Parliament and Armed Forces Fellowship, I spent some time a while ago on the West Indies guard ship, one of those little ships of which hon. Members often say, "What the hell is it there for?"—until there is a hurricane, in which case, people suddenly start saying, "Why haven't we got 10 more like it?" I pay tribute to the work by the West Indies guard ship in the recent hurricanes in the Caribbean.

My mentioning that was prompted by my right hon. Friend the Member for Cities of London and Westminster (Mr. Brooke). The name of the little ship that I visited was HMS Alacrity. I do not wish to follow him too far down his sea fantasies, but I hope to God that Her Majesty never launches a ship called InterCity because, if it is anything like the InterCity train that I travelled on a couple of weeks ago, it will never arrive.

The Gracious Speech refers to tackling global poverty, the promotion of international peace in Bosnia and the commitment to the effective promotion of human rights worldwide. I want to pray in aid each of those items and touch as briefly as I can on five issues: three relating to foreign affairs, one relating to the concerns of the Foreign Office and Ministry of Defence, and one defence-related. I should also like to pay tribute to an organisation in my constituency.

Turning first to matters of global poverty, during the summer recess, I spent some time travelling. The media tend to regard that as political tourism. There is no point in hon. Members or, indeed, members of the other place travelling abroad on fact-finding missions if we do not use the knowledge that we acquire when doing so.

In 1991, as one of a delegation of five election scrutineers, I visited outer Mongolia to study that country's first democratic election since Genghis Khan, who, curiously, was democratically elected, although by only 11 other people. Returning this summer, I found a sad country.

When the first democratic Government were elected, there was great hope that prosperity would arrive. What has arrived is television. As a result, many nomads living hard, but healthy lives on the steppes have been attracted by the glamour of the city and moved to Ulan Bator.

Ulan Bator is now surrounded by a shanty town of squalid dwellings. It was heart-rending for us to visit in the middle of those a house—a hut—of three rooms housing 25 children, aged from 18 to four years. Hon. Members should remember that, at this time of year, the night temperature in Ulan Bator drops to minus 30, with the windchill factor taking it down perhaps to minus 60. Consider the four-year-old, wanting and waiting to go to the lavatory in the middle of the night, having to climb over 24 other people, and then going down to the end of the garden to an earth closet. That hostel for street children is run by the Save the Children Fund. I pay tribute to its work.

I should hope that Foreign Office Ministers, when considering foreign aid, will remember that countries such as Mongolia—which is on the way to nowhere from nowhere—do need help. I hope very much that the Foreign Office, while regilding buildings around the world—I am quite certain that some of them need attention—will consider the assistance that we can give to people such as our excellent ambassador in Ulan Bator, John Durham, who is working so hard to support non-governmental organisations which themselves are doing such vital work.

As a member of the Inter-Parliamentary Union delegation, I was privileged also to visit Cuba. All of us were devastated by the effect of foreign policy—that of the United States and of us—on that country. The average monthly wage of a professional working man or woman—I mean a professional—in Havana is $14. Rationing is rife. People of course blame rationing on the communist regime. I have absolutely no doubt that the totalitarianism of that country has a very great deal to answer for. However, it is clear also that the policies of embargo and implementation of the Helms-Burton Act are entirely counter-productive.

Sex tourism is rife in Cuba. Very young girls are now on the street, selling themselves for $20 a trick. One does not have to be a genius to work out that $20 in five minutes is quite good money when professionals earn $14 a month. Moreover, the policies are barring development of the market economy which could be the salvation of a country that otherwise has enormous natural resources and a very great deal to offer.

[Mr. Roger Gale]

I noted—I think that all those of us visiting Cuba did—that Canada, France and Spain are investing heavily in Cuba. Notwithstanding the provisions of the Helms-Burton Act and our relationship with the United States, I should hope that Foreign Office Ministers will reconsider the manner in which we facilitate United Kingdom investment in Cuba.

I should like to touch on the human rights issue, and to consider Cyprus. I declare an interest as one of those hon. Members—so brilliantly exposed recently in the fearless *Daily Mail*—who visited Cyprus as guests of the Morphou municipality and the Friends of Cyprus. I just wish that the *Daily Mail* "political correspondent"—I think that that is what the writer of the article called himself, while taking the chance to swipe at my friend, the Under-Secretary of State for the Environment, Transport and the Regions, the hon. Member for Mansfield (Mr. Meale), and at Madam Speaker—had visited the island and discovered for itself why those of us who go there bother to do so.

I should like some of those correspondents to come with me up on to the green line, to press up to the barbed wire in the heat of the day and to join the old ladies holding photographs of their sons and husbands, whom they have not seen for 18 years, and about whose whereabouts they know nothing. Perhaps then those correspondents would understand why we bother to go.

I should like to draw the Foreign Office Minister's attention to the case of Titina Loizidou. The Government are to be commended, as were the previous Government, on promoting the entry of Cyprus into the European Union. The Government have made it very plain, as did the previous Government, that no right of veto will be permitted to Turkey, and that it is the intention that Cyprus, with or without a settlement, will join. I applaud that. However, in terms of sheer human rights—I am sorry that the Secretary of State for Foreign Affairs was unwilling to allow me to intervene, perhaps because of embarrassment, as I should have raised the matter with him—Madam Loizidou, who is a resident of Kyrenia, has been denied access to her home town and her property since 1974.

In 1989, Madam Loizidou took her case to the European Court of Human Rights in Strasbourg—the Gracious Speech reminds us that we are celebrating the 50th anniversary of the convention on human rights. A nine-year process ensued. The case went to the court in 1993. The first judgment was reached in March 1995 and the second came on 18 December 1996. It said clearly that Turkey and the illegal regime in the northern part of the island had no right to deny her access to her home town and her property. In December 1996, she was awarded $600,000 damages for the loss of use of her property.

The time scale for the payment of those damages expired on 28 October this year. The United Kingdom is a member of the Council of Europe and a guarantor power in Cyprus. It is time that the Government made clear what action they intend to take to enforce the judgment of the European Court of Human Rights in the case of Titina Loizidou, so that she, and others like her, can return to their properties and enjoy their use.

I should like to raise two other issues briefly, one of which is of great concern to the families of those in the diplomatic service and the families of our serving men and women abroad: quarantine for pets. In the great scheme of things, it may not seem terribly important, but to those men and women serving abroad, in the diplomatic corps or the armed services, it is a matter of considerable concern, and occasionally a cause of great distress. The Government have said that they intend to change the laws of quarantine. I urge that special provision be made immediately for those serving in our armed forces, particularly in rabies-free countries such as Cyprus, and most specifically for those members of the diplomatic corps who may find themselves caught by the new regulations because they are in countries that are not rabies-free and to which the new provisions—if they go through, as we hope they will—will not apply. It would be wrong if those serving this country, who are clearly responsible and dedicated people, were not able to benefit from the changes that the Government intend to enact.

I should like to quote briefly from a letter written two days ago by a constituent, Mr. Fisher of Herne Bay, about the Territorial Army. I do not wish to rehearse the whole debate that we have had recently in the House. Mr. Fisher says:

> "I am writing to you today to ask you to voice your strongest opposition to the stupid intention of cutting down on the Territorial Army.
>
> The defence secretary ought to have more bloody sense than to even contemplate such an idea.
>
> I served six years in the Territorial Army, plus several years in the regular army, also quite a time on active service, and I have no hesitation in saying that the TA is absolutely vital to the interests of this country."

The cuts in the Territorial Army are incomprehensible to most of us. As a supporter of the work of the cadet force, I do not share the sanguine view of the Chief of the General Staff, who seems to believe that the Army cadets will not suffer. The air cadets have already suffered through loss of flying time. The naval cadets have fewer ships on which to go to sea. The direct contact between the Territorial Army and the cadets will be weakened and it will be only a matter of time before the Army cadets suffer, too.

I said that I wished to pay a tribute. I hope that the House will understand why. The RAF is shortly due to leave Manston in my constituency, where it has been for more than 50 years. In recent years, it has helped, with the civilian service, to fly aid to parts of the world in desperate need—most recently to Honduras a fortnight ago. The humanitarian aid work that the RAF and the civilian service have carried out at RAF Manston has been invaluable. I hope and pray that the airfield will carry on that vital work under civilian ownership.

1.14 pm

Dr. Jenny Tonge (Richmond Park): Looking at the agenda for the other place yesterday, I felt a twinge of envy. The debate there was on foreign affairs, defence and international development, and I feel strongly that the three subjects are interconnected and that we should be discussing them all today.

I was disappointed that the shadow Foreign Secretary wasted the opportunity to discuss many important issues affecting the United Kingdom and instead used almost his

entire speech to attack the Foreign Secretary. Boys must be boys I suppose, but I found listening to the right hon. and learned Gentleman's speech marginally worse than going to the dentist, and certainly much less useful.

There was much to applaud in the Queen's Speech, which stated that the Government

"are committed to tackling global poverty and promoting sustainable development."

That is excellent stuff, straight from the White Paper. I was going to speak at some length about the introduction of a Bill to convert the Commonwealth Development Corporation into a public-private partnership, but, instead, I shall totally endorse the view expressed by the hon. Member for Hertford and Stortford (Mr. Wells).

The Queen's Speech also declared that the Government

"remain committed to effective promotion of human rights world-wide."

Indeed, that has been demonstrated already by the Government's declaration that, on 30 November, they will sign up to the international criminal court. I was chairing a press conference on the matter when the Minister made that announcement. However, the Queen's Speech made no mention of ratifying it.

Human rights violations are one of the root causes of violent conflict, which itself leads to human rights violations. An estimated 4 million people have died in violent conflict since 1990. Civilians suffer 90 per cent. of the casualties and of those 40 per cent. are children. Such violence—ethnic cleansing, mass rape and genocide—undermines the values on which human relationships and respect for human rights depend. Typically, wars today are ethnically or religiously oriented and are fought mostly in very poor countries. As the Government's international development White Paper notes:

"Half the world's low income countries are suffering, or have just emerged from serious conflicts."

It is a harsh paradox: violent conflict is damaging to development and to prospects for poverty eradication and human rights and all the fine things in the Queen's Speech, but underdevelopment and poverty increase the risk of war and violent conflict. Therefore, we must tackle that cause.

In Sudan, for example, the two demon kings of poverty and conflict have been stalking the country for more than 25 years, alternating with one another in their horror. In 1996, the Sudanese Government spent 90 per cent. of their budget on war and 1.7 per cent. on health. In the Great Lakes region, there is a possibility of a war spreading across sub-Saharan Africa. A report published by the UN commission on arms to Rwanda stated:

"The Great Lakes Region is rapidly heading towards a catastrophe of incalculable consequences requiring urgent international action."

Elsewhere, the report states:

"In the Democratic Republic of the Congo alone, there are 400 ethnic groups that don't like each other. You can imagine the implications of the breadth of the killing and hatred."

All those ethnic groups are getting arms from somewhere.

The dominant threat to those embroiled in such conflicts is not the nuclear arsenals but small arms controlled by warlords. Therefore, we need measures to tighten strategic export controls. There was no mention of that in the Queen's Speech despite six or seven initiatives that western nations have discussed over the past two years. If we are to condemn human rights abuses around the world, it is vital that we are not party to them by supplying arms to those who use them for repression.

While I welcome the EU code of conduct on arms sales, I feel that it does not go far enough. Apart from the publication of a Department of Trade and Industry White Paper on strategic export controls, nothing in the Queen's Speech will tighten up arms control. An ethical foreign policy must be backed by a code of conduct on arms sales that does not have loopholes—but there are loopholes. Ethical foreign policy affects the DTI, too.

It is essential that all EU residents and registered companies comply with EU policy on arms exports, as arms—broking agents are increasingly responsible for the flow of arms, especially small arms, into regions where human rights abuses and armed conflict are rife. The Sandline affair would not have occurred if brokers had needed licensing. Similarly, the debacle and genocide in Rwanda in 1994 might not have occurred if the international community had intervened or if we had not supplied arms, however inadvertently. As we are short of time, I shall not rehearse the details, which I am sure hon. Members know.

Under the EU code of conduct, brokers' activities are not subject to licence. The Government must surely agree that that undermines the export control system. People involved in such broking are often business men who are motivated by profit, not by political and strategic considerations. In my view, they are brokers in death.

The UN commission to which I referred has been looking into the Miltech scandal in Rwanda. It said:

"The European Union should make the price of joining the EU a commitment to monitor arms transfers to conflict zones."

That is a further push in the right direction, but we need strong controls before the Union is widened—I welcome such widening—as the problem is becoming worse and more difficult to monitor. All arms sales, including those by brokers, must be monitored. As my hon. and learned Friend the Member for North-East Fife (Mr. Campbell) and the hon. Member for Islington, North (Mr. Corbyn) said, we must have a parliamentary scrutiny Committee. Sir Richard Scott said that such a Committee should be a permanent feature—it would be a way in which to close the loopholes.

The DTI is responsible for both promoting and restricting exports—it acts as its own watchdog. The Scott report questioned whether it should continue as the licensing authority, as the material reasons for refusing export licences are usually the preserve of other Departments. Why have the Government not listened? Under their new guidelines, the Department for International Development has been given a role in arms exports, but that role is a mere formality—the Department has no power. A parliamentary Committee would ease communications between the DTI, the Foreign Office, the Ministry of Defence and the Department for International Development.

In Sweden, a parliamentary Committee scrutinises in advance proposed exports to countries that are of concern. That should also happen here. Annual reports saying what has happened are no good; parliamentarians want to scrutinise matters in advance to know where arms will be going. Even the United States, the largest arms exporter, has a system of prior notification, so why do not we?

[Dr. Jenny Tonge]

As the Foreign Secretary said, this year is the 50th anniversary of the universal declaration of human rights. That opportunity for a global effort to work towards the new world order has evaded us because all that we have had is talk. Talk is not enough; we need action. Everyone—the Department for International Development, the Foreign Office, the DTI and the Home Office—must act, not merely talk.

The millennium approaches and, as I speak, my first grandchild is forging its way into the world. I am sorry if I am a little emotional, but it is a world that I and all of us would like to make a better place for the next generation. I am encouraged by the steps that the Government have taken towards a new, more ethical foreign policy, but we must work much harder to practise what we preach and promote humanitarian programmes and codes of conduct—especially in arms sales—in the new century.

1.25 pm

Mr. Edward Leigh (Gainsborough): It is a pleasure to follow the hon. Member for Richmond Park (Dr. Tonge). I congratulate her on becoming a grandmother, and on not making the slip of saying, "We are a grandmother". She represents Richmond, and I once represented Richmond on the Greater London council—until I was removed by an ungrateful electorate. I hope the same does not happen to the hon. Lady.

I will not talk about the GLC, the House will be grateful to hear. I wish to talk about the promotion of an ethical foreign policy which, although derided in some quarters, gives us the chance to have an interesting debate, which we have had today. I want to deal with three particular areas of concern—the arrest of General Pinochet; the fate of Saddam Hussein; and the future of our involvement in the euro and of our national independence.

All those are political issues, but they are wrapped up in legal and economic mumbo-jumbo to let politicians off the hook from having to make up their minds. That allows politicians to play at being statesmen without having to address the fundamental political choices facing the states that they represent.

These matters are of fundamental importance but, sadly, they do not seem to influence public opinion and the results of general elections as much as they should. Sometimes I think that the importance of a subject is in inverse proportion to the effect that it has on general elections, which, apparently, are primarily about perceptions rather than policies. The present Government have learnt that lesson all too well.

In more than 30 meetings with parish councils and members of the general public in the past three months in my constituency, foreign policy has been mentioned only once, unprompted by me, by a constituent. So be it. No doubt foreign policy would have been at the bottom of the agenda at a meeting between a Member of Parliament and his parish council in July 1914—assuming that any were held in those patrician days, which I doubt. That does not mean that foreign policy was not of fatal consequence to 1 million Britons over the next four years. Foreign policy is important, and it is important that we have debates such as this. It is a pity that they are not better attended.

I want to talk about the clear choices facing the Government, one of which is whether or not General Pinochet should be returned to Chile. I believe that it is very unfair to put judges in a position of having to make political decisions. Cloaking the issue in the alibi of legal immunity of a head of state is bogus. One has only to think of what would have happened had Hitler not taken his own life in 1945. Would a Lord Chief Justice in 1946 have stood up in courtroom No. 1 in the Strand and justified Hitler's retirement to southern Germany on the grounds of the immunity of head of a state? Of course not. His crimes were such that his end was inevitable. Churchill realised that when he said that such trials were bogus, and he favoured the summary execution of top Nazis.

The Pinochet case is not a legal issue—it is a political one. One's view on the return of General Pinochet depends on one's political opinions and prejudices. One either thinks that General Pinochet's crimes were so dreadful that he must be tried, or—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Gentleman may not have heard Madam Speaker's rulings on the case of General Pinochet, but he is starting to infringe them. He must not mention anything which could have any bearing on the court proceedings relating to General Pinochet. That is sub judice and may not be discussed on the Floor of the House.

Mr. Leigh: I am grateful to you, Mr. Deputy Speaker.

I wish to deal with the situation in Chile, which I had the opportunity to visit recently. Some people believe that Allende, with the help of Cuban troops, was about to impose a Marxist dictatorship, and that Pinochet saved his country from a fate worse than death that would have ruled out democracy not for 17 but for 70 years, and I happen to share that view. When my hon. Friend the Member for North Essex (Mr. Jenkin) and I visited Chile two years ago, it was clear to us that society there was united on the surface but deeply and bitterly divided underneath. Chile has deliberately decided to close the door and move on.

I am reminded of a John Steinbeck book, "The Pastures of Heaven", in which the hero is unable to cope with the death of his parents. He seals off the room in the farmhouse where they used to sit and does not visit it for 15 years. An outside event causes him to open the door, and although he tidies it up and tries to reorder it, the trauma of going back into the room and into the past destroys him.

Chile is making a successful return to democracy. It is for the Chileans, not us, to deal with their past and present. European politicians who, in a colonial spirit of superior wisdom, are seeking to open the door into the dreadful past, are playing a game that might prove fatal to the very Chilean democracy to which they pay lip service. The Home Secretary should act as the grown-up politician that he is, take a political decision and return the general to Chile.

In the same way as the Government are trying to hide behind the law over the general, they are trying to shelter behind United Nations law over Saddam Hussein. The fact that he is a deranged and murderous tyrant is irrelevant. Many such still enjoy power or peaceful retirement. The truth is that he is a dangerous man who has the ability to destroy his neighbours and harm us, so we should have the courage to proclaim that his removal is our aim.

Whether that is attainable in practice or worth the blood that would be involved is another question. In any event, we should not pretend that bombing with cruise missiles—a modern form of war without pain to oneself—will solve anything. I suspect that the chemical stocks are so widely dispersed and hidden that no amount of bombing would destroy them.

Politicians often seem to envelop themselves in stealth and radar cloaking devices to avoid having to make a clear decision and to allow them to pass the buck. Whether this country abandons its own currency and taxation is not a narrow economic issue. Oskar Lafontaine would agree that once a currency is abolished one is inevitably moving down the path to a single European state.

Only this week, there have been some interesting quotations. Mr. Lafontaine said:

"A unified currency area needs a fair and equal tax framework."

Mr. Fischer, the German Foreign Secretary, said:

"We ought to work on a common constitution to turn the European Union into an entity under international law."

Jean-Jacques Viseur, the Belgian Finance Minister, said:

"Direct tax co-ordination has to be on the agenda in order to avoid harmful tax competition."

Yves-Thibault de Silguy, the EU Finance Commissioner, uttered what will perhaps become the most famous "why not?" quotation. An interviewer said:

"There is a logic that says that although you may start with corporate taxes and taxes on savings, there ought to be closer harmonisation of sales output taxes, VAT for instance, and indeed eventually perhaps personal taxation too."

Without hesitation, Mr. de Silguy said, "Why not?" I am sure that those words will come to haunt all those who argue that the decision is not a fundamental constitutional and political issue on which politicians must provide a clear lead.

The Government maintain that the decision is primarily an economic one, although they cloak their attitude in the spurious guise of having made up their mind that we should join at some time in an undefined future. However, politics is about clear choices, and the public should be given a clear choice at the next general election.

I agree that we should respect the decisions made by continental nations. As it happens, I am reading a history of Luxembourg, which is surprisingly interesting. The book is also surprisingly hefty, although it contains a lot of pictures. If I were a Luxembourgeois, and my country did not have a separate language, was dependent economically on its neighbours—Luxembourg's currency was subsumed into that of Belgium in 1919—and had been invaded twice in its 150-year history, I would be in favour of the European Union and monetary union. However, our history is very different and we are entitled to take a different attitude while at the same time respecting the decisions of others.

Politics should be about choices. The Conservative party should present the people at the next general election with a clear choice based on principle. I am happy with the present policy of presenting the decision in terms of what we should or should not do in the next Parliament, but we should be clear that we oppose sacrificing our currency on the principled grounds that the sacrifice of currency and taxation rights is incompatible with any meaningful degree of sovereignty. That should be our clear and decisive policy at the next general election.

The promise of an ethical foreign policy raises expectations of a clear direction being given to the people. I do not believe that we have that from the Government at present. The Conservative party can offer a clear and principled policy of national self-attainment to the British people and win the next election on that basis.

1.37 pm

Mr. Bernard Jenkin (North Essex): I agree strongly with the comments made by my hon. Friend the Member for Gainsborough (Mr. Leigh), especially his recollections of our visit to Chile. We were accompanied by several Labour Members and I would be surprised if they would disagree with my hon. Friend's comments.

The Foreign Secretary made only the most glancing reference to the enlargement of the European Union as he gloated over the extra jobs that he has created in his Department. We succeeded in achieving the enlargement of NATO, and the Foreign Secretary's attempts to create a spat with my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) about spending in the Foreign Office are no substitute for a policy that will achieve the objective of enlargement of the European Union.

Many former communist-bloc nations in eastern Europe long to be fully reunited with western civilisation. They saw how western Europe's democracy and stability were cemented by the European Community and NATO in the post-war period. It is a priority to incorporate those nations into those organisations, so that the east can be accepted and the west can extend political and economic security to unstable areas now threatened by economic collapse in nearby Russia. The Balkans are a lesson in the fragility of post-communist societies. They cry out for access and inclusion as a means of obtaining internal as well as external security. They know no other way to gain stability. The history of eastern and central Europe has always been about the desire to forge alliances to create stability.

The slow response of the European Union to the enlargement agenda is a matter of shame for its members. The pace could hardly be slower. The iron curtain fell in 1989 and, nine years later, only four of the 20 or 30 states that aspire to EU membership are fully in the accession process. The agreements signed with some applicant states are a poor substitute for genuine free trade. The process has been arrested principally by those who regard economic and monetary union and the continuing integration of the existing membership as the overriding priority. That is demonstrated by the chronology of recent events. The Maastricht treaty in 1991 was the Franco-German response to the collapse of communism. Its focus was on preserving western Europe, and on consolidating it through economic and monetary union. Only in 1995 did the Madrid summit request that the Commission should make preparations for enlargement. Agenda 2000, the Commission's response, was delayed until after the Amsterdam summit in 1997. It was envisaged that Amsterdam would resolve all the institutional questions related to enlargement, but it failed to do so.

The Commission is now using enlargement as a lever with which to achieve the integration for which there was no consensus at Amsterdam. Introducing Agenda 2000, Commission President Jacques Santer wrote that the Union

"must set about adapting, developing and reforming itself."

[Mr. Bernard Jenkin]

Agenda 2000 proposes reform of the weighting of votes in the Council and a reduction in the number of members of the Commission. It requires a fresh intergovernmental conference as soon as possible after 2000, which could introduce far-reaching reforms including the generalised introduction of qualified majority voting and a fully operational foreign policy.

Amsterdam was a stalemate because there is less and less consensus about the direction that institutional reform should take. An attempt to force reforms last year would have jeopardised the stability of EMU. A further constraint on enlargement is the Commission's insistence that applicant states must commit to the acquis communautaire in its entirety,

"including the aims of political and monetary union",

without opt-outs. Applicants dare not speak out in those circumstances. The EU is treating applicant states more harshly than existing members such as Denmark and the United Kingdom. It is consistent with the Commission dogma that opt-outs are merely a transitional part of the inexorable process of economic and political union.

The larger the EU becomes, the less realistic all that is likely to be. Enlargement, rather than ever-closer uniformity, is the real test of the EU's credibility. To achieve it, existing member states must be prepared to make compromises, or else large-scale enlargement simply will not occur. That is why not a single date has been set for the accession of a single former communist-bloc state. Applicant states must, of course, reform their agriculture, stabilise their public finances and prepare for the rigours of the free market. They are all seeking to do so, but in many cases those are impossible preconditions, except in the extreme long term.

A real question arises: is the EU to be a rich, exclusive club, or a generous haven for fellow Europeans who are emerging from poverty and misrule? Enlargement means change for the EU. Everyone pays lip service to the original dream of peace and prosperity from the Atlantic to the Urals, but few people will face the consequences of enlargement. The rigid accession terms set out in Agenda 2000 are by no means the only, or even the quickest, way to achieve that.

The 10 aspirant states identified in Agenda 2000 will increase the EU's surface area by a third, encompassing a population of 475 million people, and a rise in population of just under a third. However, at the same time, their accession will add only 5 per cent. to EU gross domestic product. The EU must be in a position to assist the economic and political development of the aspirant states, to extend free trade and to promote political stability.

It is widely accepted that the existing policies and decision-making structures are already too cumbersome. The club designed for six members with limited powers now accommodates 15 members with ever-wider powers. The democratic deficit was an issue before the current round of enlargement. Representing the interests of the new democracies and their peoples alongside those of the existing member states in the European Parliament, the European Council and the European Court of Justice, will exacerbate that democratic deficit.

Enlargement makes reform of EU institutions unavoidable. Increasing the number of participants will slow down meetings and render policy even more unintelligible and consensus more impossible. Streamlining the decision-making process, however, would make the EU less accountable and would reduce the voice of individual member states. The Commission's emphasis on increased majority voting in place of genuine consensus to push along ever-closer union will worsen the democratic deficit. There is no constitutional separation of powers. In the Council of Ministers, the Executives of the member states legislate and the national, elected Parliaments become innocent bystanders.

The European Parliament will have 700 members by 2015, if enlargement goes ahead, and each of them will represent 678,500 constituents on average. The multi-site nature of the Parliament is a fact that reflects how member states' national interests will always override communautaire decisions in practice. The European Parliament is not a plausible answer to the democratic deficit.

If enlargement does not stimulate fresh thinking about the future of the European Union, it will become characterised by its political inertia, which will promote corruption, disillusion and, ultimately, dissolution. Whatever were the intentions of the original Six, the world has changed dramatically. The cold war divided our continent and defined the struggle between capitalism and socialism in our domestic politics. High tariff barriers protected domestic markets. Western Europe huddled together for mutual protection and security, without the need for much in the way of integration.

Today, Europe comprises nations whose interests have diverged dramatically. To give three examples: the United Kingdom is ever-happier with freer world trade and strong United States involvement, as the recent British presidency showed; France lives with three fears, which are world free trade, the unchallengeable ascendancy of the US in world affairs and the consequences of German reunification; and Germany wants to use her new size and influence for the benefit of her neighbours, but is now most preoccupied with the economic opportunities and threats of instability to the east. Every nation has its own sensitivities and motivations. Attempts to bind them all into one straitjacket—the acquis communautaire—will cause strains that are set to become intolerable.

Some nations may be prepared to forfeit their sovereign independence to join a new international state of some sort, but the problem will always be the democratic deficit. The most accountable institutions are national, rather than international, or regional—except where particularly strong regional identities exist. Therefore, the building block for a united and democratic Europe, which is meaningful to people throughout Europe, should be the nation state. Clearly, the answer for practical accountability does not lie at supranational level.

Flexibility with the acquis would greatly facilitate enlargement. The objective should be for the EU to do less, but more effectively. It cannot achieve that unless it rolls back the acquis communautaire at the same time. That does not preclude some member states from proceeding with further economic and political union, but not all member states should be obliged to do so. That not only recognises the reality of opt-outs that have already been granted, but reflects the intergovernmental character of the second and third pillars of the EU, dealing with a common foreign and security policy and justice and home affairs—or, at least, the thinking that they should be intergovernmental. It also creates opportunities for more

rational decision making. Why, for example, should states that do not have fishing interests be involved in fisheries policy? Applicant states would then be able to negotiate accession terms that better suited their circumstances and those of existing member states. It may take decades to achieve real reform of the common agricultural policy.

Equally, the agricultural systems of many applicant states are decades behind those of the EU. EU membership could be offered, excluding CAP membership. The same could apply to social policy or to economic and monetary union.

The vast economic differences between the present EU and the potential members makes some sort of variable geometry inevitable. It is clear that the drivers of the EU see flexibility as a means of strengthening the acquis and the institutions. They see variable geometry as no more than a transitional stage to the ever closer union. However, variable geometry in the context of enlargement should not be confused with Union a la carte. It is a means of democratising the EU, as well as speeding up access to EU membership. Member states should not be forced to adopt policies that they do not want.

The recently published report of the Treasury Committee quoted the European Commissioner, Yves-Thibault de Silguy, applying the words of Mikhail Gorbachev to the situation of the United Kingdom vis-a-vis monetary union. He said:

"He who arrives late must be punished."

Why enlarge if there are no benefits for the late arrivals?

A successful European Union will include members far beyond the current five accession candidates, and will be a union of diversity, mutual co-operation and consent. There must be an end to the language of coercion and intolerance, which is based on supposedly irreversible undertakings that, once made, are irrevocable. The language of inevitability and of irreversible progress carries echoes of past European tyrannies that Europe can do without.

The Queen's Speech committed the Government to

"a leading role in preparing the European Union for the historic challenge of enlargement."

Sadly, however, there is precious little evidence that the Government of the United Kingdom have the least idea of the real nature of that historic challenge.

1.50 pm

Mr. John Maples (Stratford-on-Avon): The debate has been wide-ranging, covering issues from dog licences to arms brokerage. In the middle of it, we had a thoroughly authentic restatement of the Labour party's position from the mid-1980s. I hope that hon. Members will forgive me if I do not comment on every speech; some were excellent, but I should comment on the speech of my right hon. Friend the Member for Cities of London and Westminster (Mr. Brooke), which was most charming and eloquent. He has a way of insulting his opponents while making them feel amused at the same time. I wish that we all shared that talent.

The end of the cold war has brought about a radically different security environment. The 20th century—especially from 1939 to 1989—has been continentalist; it has been dominated by continental powers such as Germany, Russia and China. That situation has dictated British defence planning and deployment. We were previously often the great practitioners of a maritime strategy based on naval predominance and expeditionary operations. That changed after the first world war, and continental issues dominated. Since the end of the second world war, our naval deployment has been almost entirely configured for anti-submarine warfare in the north Atlantic, and that of our Army and Air Force has, for the same reason, been entirely configured to meet a Warsaw pact threat in Europe.

The end of the cold war has, at least for the time being, brought an end to that continentalism. We do not have to configure and deploy our forces solely to meet the Warsaw pact. The new strategic environment demands the ability to respond flexibly, quickly and outside the North Atlantic Treaty Organisation area. We will have to be able to respond to threats and challenges in north Africa, the Gulf and the middle east, which will involve joint force operations in conjunction with allies. Although such a concept is far from new, it was largely irrelevant in the cold war.

Such concepts have increasingly influenced defence policy over the past eight years or so. The previous Government began the post-cold war reconfiguration of our forces; the Government are continuing it, and we support those aspects of the SDR that carry it forward. At the same time, I am concerned that the SDR is a little too optimistic in its view of the threat to western Europe. The Defence Committee shares that concern. There are still serious potential threats, and it is in the nature of these events that the eventual threat has neither been foreseen nor planned for. We shall return to the question of asymmetric threats, chemical and biological warfare, ballistic missile defence and information warfare, none of which were adequately addressed in the SDR.

The Government should also be a little more cautious in their zeal to resolve the world's problems. Our foreign policy and our military action must be driven not by good intentions, but by Britain's interests alone.

I must express the enormous admiration in which our armed forces are held by all of us. They are constantly involved in operations in the south Atlantic, the Gulf and elsewhere, and they consistently acquit themselves with success and distinction. We are lucky to have them, and our duty as politicians is to make sure that they have the men, the equipment and the training to do what we ask of them.

Of all the major issues facing the armed forces, probably the biggest faced by all three services is recruitment. All three plan to recruit up to full strength over the next few years. The problem is inextricably linked to retention and welfare issues. If those who are recruited were to stay a little longer, the need for new recruits would partly, if not largely, be solved. The retention rate is crucially related to overstretch, housing and welfare—personnel issues that do not often feature in major defence debates. I know that all three services will address the issue, and I hope that they will be successful. It will be difficult within the current tight budgets, but we shall support them in their efforts and watch closely to see whether they achieve the Government's objectives.

There have been several defence debates recently—this is the seventh day of defence debate in five weeks. I hope that the rate diminishes over the next few weeks, and I am sure that that hope is shared by Ministers. During

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those debates my hon. Friends and I have explored various procurement issues, which I shall not go over again. However, I shall mention two topics.

The first is the carriers, which are a vital element of our armed forces' expeditionary capability. They must be built and delivered as planned, in 2112 to 2114. We shall watch events closely, as we suspect that the Navy's commitment to those carriers is greater than the Government's.

Secondly, smart procurement is an interesting and ambitious idea, but I sound a word of caution about some aspects of it. The concept is built on current business fashion, just as the Levene reforms were built on the competitive fashion of the 1980s. Both have their merits and both have relevance to the procurement process, but there is a danger of the Government adopting uncritically the current management fashion, whatever that happens to be.

Procurement of major weapons systems is necessarily a lengthy, technologically difficult and expensive process. All those elements involve risk, and I doubt whether much of the risk can be transferred to the supplier, as is done in the business model that smart procurement attempts to follow.

Partnership attitudes are vital. The Ministry of Defence must have a long-term partnership arrangement with companies such as British Aerospace, Rolls-Royce and GEC, but it also needs the stimulant of competition and risk. I am slightly concerned that the proposed pilots are to last only a year or 15 months before the system comes fully into operation.

I understand that smart procurement will apply to everything from April 2000. Some pilots have begun, including some covering very large projects such as the replacement for the Tornado and the aircraft carriers. I am concerned at how fast we are going. I should have thought that a more evolutionary approach would be better. Smart procurement should be tried with a few new projects so that we can see how it works. It looks good on paper, but I believe that I can say with confidence that it will not work as well in practice.

Several hon. Members mentioned the Territorial Army. Last week, the Secretary of State confirmed our worst fears about his plans for the TA. It is to be cut by a third and many of its bases are to close. At the time, I said that I believed that the Secretary of State had made a mistake. We believe that the TA plays a vital social role in giving the Army a presence in our communities, and in recruitment to the Regular Army.

In future, the TA is to be confined to our large towns and cities, leaving large swathes of the countryside and rural areas without any TA or Army presence at all. Our main criticism is that with a small Army, we need a bigger general reserve as an insurance policy to meet the unforeseen threats that I mentioned.

Will the Secretary of State deal with some questions about Kosovo when he winds up? Will he clarify the plans for the evacuation of the OSCE observers, if that becomes necessary? I understand that such planning is being taken forward by the French, and I should be grateful if he would confirm that that is being done. Can he say whether the plans are being developed at NATO and whether such an operation, if it unfortunately became necessary, would be a NATO operation? Does he believe that a United Nations resolution would be needed to implement any such plan?

On the subject of the Balkans, can the Secretary of State confirm that the costs of the Bosnia operation will fall on the reserve and not on the defence budget in the current year?

I shall devote the last part of my speech to European defence policy and the nation's alliances. I can think of no more important issue and no greater responsibility of the Government, but there is confusion, to say the least, about the Government's intentions. We have found the Prime Minister playing politics with the matter. In his never-ending quest for a good headline or the temporary friendship of others, there is apparently no national asset too precious or too valuable to be put into play.

For the sake of a better atmosphere at the Austria summit for one weekend, the Prime Minister was apparently prepared to undermine our fundamental security alliances and throw doubt on our commitment to NATO. He was also prepared to reverse his own policy, which he had boasted about after Amsterdam.

In *The Times* on 20 October, Philip Webster, the political editor, quoted the Prime Minister, whose comments have not be controverted or denied by Downing street. The article says:

"Tony Blair made plain that he was to drop Britain's long-standing objections to the European Union having a defence capability."

We are talking not about the development of a common foreign and security policy, but about a European defence capability. The view expressed in that article directly contradicts what the Prime Minister said after Amsterdam. He said that Europe's defence should remain a matter for NATO and not the EU, which had proved itself unable to run a successful foreign policy. He went on:

"What matters is what works; and what works for Britain and for Europe is Nato."

He added that the Franco-German plan was

"like an ill-judged transplant operation."

[Interruption.] I am glad that the Secretary of State for Defence is roaring his approval, because that is a long way from what the Prime Minister has been saying recently.

In his press conference after the Austrian summit at Pörtschach, the Prime Minister said:

"We are at the very beginning of that debate, we need to get the international mechanism right, we need to make sure that that institutional mechanism in no way undermines NATO but rather is complementary to it".

That is not what he had said previously, when he referred to an EU defence capability.

That is a fundamental shift in defence policy, not just from our position when we were in government, but from the Prime Minister's position until about three weeks ago. Apparently, the Secretary of State for Defence and his Ministers knew nothing about that. *[Interruption.]* The Foreign Secretary nods, but the date of the Prime Minister's interview happened to be the second day of the debate in the House on the strategic defence review.

During that debate, the Secretary of State for Defence reiterated the post-Amsterdam position very clearly. He said:

"The Government's view on the common foreign and security policy and how it relates to European defence was determined definitively at the Amsterdam summit . . . The challenge for the European Union is relevantly to apply the common foreign and security policy to events."—[*Official Report*, 19 October 1998; Vol. 317, c. 974.]

That was the post-Amsterdam position, but it was not what the Prime Minister was saying the next evening. That position was confirmed by the Under-Secretary of State for Defence when he wound up the debate. Several hon. Members and I raised this issue, and he said:

"We are also playing a central role in developing an effective European security and defence identity in NATO."—[*Official Report*, 20 October 1998; Vol. 317, c. 1176.]

We have no problem with that, but it is not what the Prime Minister was saying, nor what the Under-Secretary said a couple of weeks later.

My hon. Friend the Member for Reigate (Mr. Blunt) was so concerned about this subject that on 11 November, he secured an Adjournment debate to discuss the matter further. The Under-Secretary replied to that debate, and tried to pretend that nothing had changed. However, he gave the game away, because he said that

"our aim is to enable the European Union to have a more united and influential voice . . . That voice must be backed up, when the need arises, with effective and prompt military action."

The European Union is to have the ability to mount military action. He went on:

"If Europe is to have a stronger voice in the world, European armed forces will need to be capable of supporting our position. We need to put muscle behind Europe's foreign policy".—[*Official Report*, 11 November 1998; Vol. 319, c. 301-04.]

In that context, Europe's foreign policy can mean only the European Union's foreign policy.

We are no longer talking merely about the common foreign and security policy. *[Interruption.]* This is a serious issue. I should be delighted if the Secretary of State could clarify this matter in his response. It is not a matter to be trifled with and treated lightly, or for a junior Minister in his Department to laugh about and mock at. These are serious inconsistencies in the Government's case, and they should clarify them.

Having ventured the thought in October, by mid-November the Prime Minister was out in the open. In an article in the *New York Times* on 12 November, he is utterly unambiguous. This is not a matter of a European defence identity within NATO. *[Interruption.]* It is easy to laugh, but this is the most serious matter that the Departments represented by these two Secretaries of State have to deal with, and they should take it seriously. If I, and many other people outside the House, misunderstand their intentions, it is because they are not speaking with one voice. They now have an opportunity to clarify matters.

In the *New York Times*, the Prime Minister said:

"To speak with authority, the European Union also needs to be able to act militarily on its own when the United States is not engaged. Britain backs that".

Nothing could be clearer than that. I understand exactly what that means. If I was in any doubt, that doubt was removed next day, when the Prime Minister said it again at the North Atlantic Assembly. He said that we must ensure

"that the European Union can speak with a single, authoritative voice . . . and can intervene effectively where necessary . . . Diplomacy works best when backed by the credible use of force."

He also said:

"Europe needs genuine military operational capability"—

again in the context of the EU.

In some of those statements—especially by the Under-Secretary of State for Defence—there is confusion between Europe and the European Union, but the policy shift now seems to be absolutely clear from what the Prime Minister said in his *New York Times* article and his speech in Edinburgh to the North Atlantic Assembly.

At the weekend, an obviously heavily briefed article in *The Mail on Sunday* spoke of "Blair's . . . EU strike force". It said that the Prime Minister

"hopes the plan will keep Britain at the heart of EU decision-making."

There we have it. That is what it is about. The Government support the proposal, not because they believe that it would be better for the country's defence or that it is a better way of looking after our interests, but so that, when the Prime Minister attends European summits, he gets a better reception from Mr. Chirac, Mr. Schröder and the rest of them. He will have trouble getting a good reception from Mr. Fischer, who seems to have gone even further out on that limb than the Prime Minister has, but it is now clear that it is all part of the Prime Minister's public relations effort.

I want to get the matter clarified—the sooner the better. The Secretary of State for Defence can do it today. He can tell us whether we are talking about a European Union military capability or a European defence identity within NATO.

I should like to make our position clear. We support the development of a European defence identity, and even capability, within NATO, perhaps using the Western European Union as a vehicle for action without the United States. We began that process when we were in government, and agreements are in place for any such Western European Union operation to use NATO planning and command structures and to use American intelligence and heavy lift capability.

The problem is not with the institutions. If Europe cannot sing with one voice on defence or foreign policy, it is not because the institutions are at fault—it is because the major powers in Europe have different agendas and different interests, and find it very difficult to co-ordinate their views on things.

We do not support the idea of that NATO-WEU role being taken over by the European Union. However, the confusion continues, because yesterday Lord Gilbert, the Minister for Defence Procurement said, in absolute contradiction of what the Prime Minister said:

"He has spoken of the need particularly to improve Europe's defence capabilities within NATO. I cannot emphasise too strongly the importance of those last two words 'within NATO'."—[*Official Report, House of Lords*, 26 November 1998; Vol. 595, c. 138.]

The same day, the German Foreign Minister is quoted as describing political union, including the creation of a European defence force, as his "personal goal"—so if the

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Prime Minister wants to get a warm reception from him, he will have to continue even further down the path on which he has started.

Let me say why, in our view, that is the right role for NATO and the WEU, but not for the European Union. It is based on a proper evaluation of what is best for Britain and what works.

What the Government appear to propose would be a damaging change, which I believe would wreck the WEU, undermine NATO and endanger US commitment if the European Union developed—as I believe that it would—into a caucus within the NATO alliance. It would exclude several important NATO countries—such as Norway and Turkey, which are in the WEU, but not in the European Union—and it would include several neutral states that are in the European Union, but not in NATO.

We have an incredibly successful alliance and joint military planning machine in NATO. It has a European arm, which can do things without the United States. It has an agreement with NATO and the United States to do so and to use their resources. All the European Union countries are in the Western European Union; it provides a comprehensive European forum. Not only is there no need to replicate any of that within the European Union, but any such move would inevitably damage NATO.

If there is to be a change of policy, as seems to be being signalled, it should be fully worked out by the Government and discussed by the House. It would be a very major change of British foreign and defence policy, and it is not something just to play with at the weekend as part of a public relations programme. Our fundamental alliances are the crucial foundations of our security.

I must tell the Secretary of State for Defence that the Government are endangering the bipartisan view of this issue, which was confirmed by the new Government after Amsterdam, when they supported the position that we had previously taken. They are changing that position by stealth, and they are making no attempt to explain the change or to carry anyone else with them. We shall oppose that change.

We support the general thrust of the strategic defence review. We believe that developing more expeditionary force capability is the right way to go, and that that will involve a different force structure from that needed for the cold war. The new carriers are a vital component of that. *[Interruption.]* There are many distractions in this place, but that is a killer; that is the most powerful intervention that I have heard.

I reiterate how important we think recruitment and retention are and how closely we will watch that. I say again how horrified we are at the casual toying with the importance of NATO in return for short-term favours. It has been the cornerstone of our defence for 50 years. It can and should continue to perform that role. The European Union is not an alternative, but any attempt by the Government to develop such a role for the EU will inevitably undermine NATO. Far from being welcomed by the Americans, such a move would diminish their commitment to Europe and break the bipartisan view that has prevailed in the House.

2.11 pm

The Secretary of State for Defence (Mr. George Robertson): I am grateful for the opportunity to close this important debate. Rightly, foreign affairs and defence remain at the forefront of the business of the House and of the country. It is gratifying that so many hon. Members have been here on a Friday afternoon to take part in such a debate. Many points have been raised, and I shall shortly deal with some of the more detailed ones; first, I should outline the Government's position on some of the major defence issues that we face.

Since the House debated the strategic defence review, events in Iraq and the Balkans have underlined again the robustness and validity of our conclusions. The most recent crisis in the Gulf is yet further evidence of the importance of Britain being able and willing to deal with risks to international peace and stability. We have shown again that we are not willing to stand idly by, and that we increasingly have the military capabilities to enable us to make a real contribution to dealing with security crises.

As one would expect, many hon. Members have mentioned the Iraq crisis. Saddam Hussein's efforts to flout the United Nations and the international community have been defeated. He has been faced down. No concessions of any sort were offered to him in exchange. There was no negotiation of any sort; nor will there be in the future.

Saddam's capitulation and agreement to resume unconditional and full co-operation with UNSCOM and the International Atomic Energy Agency came just in time. British and American forces had already been given the order to launch air strikes against Iraq. Our willingness to use force was again the key. Without both the resolution and ability to hit him—and hit him hard—UNSCOM and IAEA inspectors would not be back in Iraq carrying out their duties with a promise that they will be afforded full Iraqi co-operation. However, the Iraqi regime's failure last weekend to provide the documents that UNSCOM had requested is not a good start. We are watching the situation very closely daily.

Such behaviour will only delay the start of a comprehensive review of Saddam's compliance with UN resolutions. The aim of the review will be to provide a clear statement of the remaining steps that are needed for Iraq to meet its obligations and, if followed, will provide a timetable towards the lifting of sanctions, but the review cannot start until the Security Council is satisfied that Saddam is co-operating fully and unconditionally.

The military option is still in place and, as the Prime Minister has said, next time there will be no build-up and no warning. Saddam knows that we mean business. He will not be allowed to renege on the latest profession of co-operation, as he has on so many previous occasions.

Saddam should not doubt our resolve. Our forces in the Gulf remain on high alert. Like the Opposition spokesman, I take this opportunity again to put on record the country's appreciation of our forces' efforts. If we are forced to take military action, let there be absolutely no doubt about where the blame for it will lie—firmly at the door of the dictator in Baghdad.

In the Balkans, too, we have witnessed once again the need for action to avoid a catastrophe. The humanitarian disaster that could have occurred in Kosovo has been averted by the intervention of NATO and the international community. The powerful combination of diplomatic

pressure and NATO's credible threat to use force has changed the situation in Kosovo for the better. However, it is only the beginning. The effects of ethnic hatred will not disappear overnight, and we must do all that we can to support the search for a political solution.

Recent events have underlined the need to get international verifiers in place, and we have responded quickly. About 60 British personnel are now in the region, and, next week, more will follow. We are also making two Canberra reconnaissance aircraft available to the NATO air verification mission. There should also be no misconceptions about who is responsible for verifiers' safety: President Milosevic is responsible. However, for added insurance, NATO is finalising plans for a small reaction force to be based in Macedonia. Britain will play its part in that force.

Events in Iraq and Kosovo are graphic demonstrations that the United Kingdom has the ability and the commitment to make a difference in this very uncertain world. I am pleased to say that our labours are bearing fruit elsewhere in the Balkans: we have seen peace return in Bosnia. We remain the second largest contributor to the NATO stabilisation force in Bosnia. Last month, I saw for myself the vital role that our service men and women are playing in helping the Bosnian people to rebuild their lives. However, we must always remember the damaging effect of overstretch on the troops who are out there serving both their country and the international community.

A key feature of our responses in the Gulf and in the Balkans is that we are acting in concert with our allies. The United Kingdom cannot and should not try to be a world policeman. Multinationality is therefore the key to our future military operations, whether under UN, NATO or European auspices, or in ad hoc coalitions. As the strategic defence review made clear, it is central to UK policy that NATO should remain the foundation of our security. We—like so many others—therefore have a fundamental interest in NATO's effectiveness and modernisation. Next year's Washington summit to celebrate NATO's 50th anniversary is an opportunity that we must grasp to signpost the way ahead for the alliance well into the new millennium.

We need a NATO that is committed both to collective defence and to its new tasks of crisis prevention and peace support. We need a NATO that remains the principal forum for consultation on security and the military organisation of choice for both Europe and north America. We need a NATO that is militarily credible across the full range of alliance missions. Moreover, as my hon. Friend the Member for Swansea, East (Mr. Anderson) said, we want a NATO that does not slam the door to new members but ensures that the alliance's military effectiveness remains its key priority. Perhaps most of all, we need a NATO that is regarded as a force for good in the world.

The most important vehicle for achieving those aims will be the alliance's new strategic concept—which must define clearly NATO's current and future purpose. The aims are achievable in Washington. NATO's inherent flexibility has enabled it, and will enable it, to adapt to a radically different world and mission for the alliance. However, part of the process of adaptation must come from the European side of the transatlantic partnership.

I should deal now with the slightly hysterical and overblown remarks of the Opposition spokesman, the hon. Member for Stratford-on-Avon (Mr. Maples). As he said, hon. Members are aware that the Government have launched in the European Union a wide-ranging debate on the future of Europe, including the need to consider again the future direction of European security and defence.

This is a call for fresh thinking, not a major revision of our defence policy. Our aim is to enable the European Union to have a more united and influential voice, articulated with greater speed and coherence through the common foreign and security policy, backed up when the need arises by effective and prompt military action.

We come to the debate without pre-conceived ideas, but we have recognised certain principles which we must guard. There is no question of relinquishing national control of our armed forces, and certainly no intention to create a standing European army.

Similarly, we do not believe that it would be right for the European Commission or European Parliament to have a direct role in defence matters. Perhaps most important—I emphasise this to those on the Opposition Front Bench—we are clear that we must not undermine NATO or attempt to duplicate it. Building Europe's ability to contribute and being able to take more responsibility for our security will strengthen NATO, not undermine it. We have identified three clear, pragmatic strands that need to be addressed: political will from the Europeans; effective military capability; and the link between the two.

Europe needs a proactive foreign policy that is responsive to fast-moving situations. We cannot spirit a shared political will out of the ether, but exploiting the institutions that were created at Amsterdam is an important step in the right direction.

We also need to put muscle behind European foreign policy. The lessons from recent crises are clear. We need armed forces that are deployable, sustainable, flexible, mobile, and survivable—the qualities that were fundamental to our strategic defence review.

We shall continue to encourage our European partners to develop their military capabilities to be more responsive and more relevant to the situations that will confront us. Institutional arrangements are not at the heart of the debate that we have launched, but we need to be confident that we have an efficient and effective link between political direction and military action. That may have institutional implications, but it is premature to open the question, because it may cloud our thinking. We need to agree first what we are trying to achieve.

Mr. Maples: The Secretary of State is using the word "Europe" in an ambiguous sense. I do not disagree with a lot of what he has said if he means it in the context of NATO. In an article in the *New York Times*, the Prime Minister said:

"the European Union . . . needs to be able to act militarily on its own."

How does that not mean building a distinct military capability in the European Union, even if it is joined in some way to NATO?

[Mr. Maples]

Mr. Robertson: The hon. Gentleman is new to the subject of defence—as was I, in many ways; I do not mean that pejoratively. The Conservative Government made a commitment in the Maastricht treaty to moving towards a common defence for Europe. At the 1995 NATO summit in Berlin, my predecessor, Michael Portillo, was at the forefront of those who set up what is now called the European security and defence identity inside NATO. The link between the European Union commitment in the Maastricht treaty and the ESDI in NATO was to be the Western European Union. The EU was to be able, under the Amsterdam treaty, to make a view known to the WEU about using the military assets of the ESDI in NATO.

The framework exists, but we lack a streamlined method of getting from the decisions taken in the European Union, based on the Maastricht treaty, to the militarily effective capability of European countries to take action that might not require the efforts or involvement of the United States of America. At present, quite realistically and practically, we are asking how that connection can be achieved and how Europe can build the military capabilities that will be required to enable European nations—whether through the EU common foreign and security policy or by a wider aggregation of European nations—to deliver the military capability that we discuss so often. Let me direct the hon. Gentleman's attention to the article in today's *Wall Street Journal* by one Michael Portillo, which appears to be raising exactly the same argument.

Mr. Howard: If the right hon. Gentleman wants Mr. Portillo's views on the matter, he need look no further than his speech today to the Royal United Services Institute in which he makes clear his disagreement with the Government's proposals. The question is as follows: in the past, whenever such matters were considered, the Western European Union was regarded as the link, not for some abstract dogmatic reason, but because it provided the means of associating members of NATO that were not members of the EU with any proposed action. Is the Secretary of State saying that the Government are now prepared to abandon the use of the WEU for those purposes?

Mr. Robertson: I am saying nothing of the sort. We are putting into a general debate, which has been widely welcomed in Europe and America, how we can make effective the European security and defence identity that has already been established in NATO and that we intend to strengthen and how European countries in aggregate can deliver on our common foreign and security policy. We have not prescribed an institutional framework; a number of variations are on the table. We need to ensure that Europe can deliver when it makes a policy decision. That is the key element of the debate which has been welcomed everywhere except by the Conservative party.

Let me quote from Mr. Portillo's speech to RUSI today as carried in the *Wall Street Journal*. He says:

"If European statesmen were serious about Europe doing more for itself militarily, they would spend more on defense, and so actually increase European capability."

The man who supervised a defence budget that went down by 30 per cent. in real terms in seven years is lecturing others and making precisely our point about how our policy efforts should be adapted to achieve the required military capability.

In the minute and a half that remains let me touch briefly on some of the key issues that have been raised today. The hon. and learned Member for North-East Fife (Mr. Campbell) mentioned the 3 per cent. efficiency target in the strategic defence review. Let me reassure him that, although it is a very tight target, as I would expect for the MOD, last year we achieved 3.6 per cent. improvements in efficiency and this year we expect the figure to be 3.2 per cent. I see no reason why my Department should not achieve its target in future years.

My hon. Friend the Member for Islington, North (Mr. Corbyn), the hon. and learned Member for North-East Fife and the hon. Member for Richmond Park (Dr. Tonge) asked what we were doing about nuclear disarmament. Yet again, I would direct their attention to the strategic defence review, which shows substantial reductions in the number of warheads per submarine and in our nuclear stockpile.

I have been unable to respond to all the points that have been raised because of the preoccupation of the Opposition with a key issue in a key debate that is taking place at the moment, so I shall write to hon. Members. Since the Labour party was elected, we have given a new direction to defence and a new vision to the armed forces. Implementation of the strategic defence review will make them truly modern forces for a modern world. They will be able to play an effective part in diplomacy.

Debate adjourned.—*[Mr. Betts.]*

Debate to be resumed on Monday next.

WELSH GRAND COMMITTEE

Motion made, and Question put forthwith pursuant to Standing Order No. 108 (Welsh Grand Committee),

That the Welsh Grand Committee shall meet on Wednesday 16th December at half past ten o'clock at Westminster to take oral questions under Standing Order No. 103 (Welsh Grand Committee (questions for oral answer)), and to consider the matter of Government Expenditure in Wales 1999–2000 to 2001–2002 under Standing Order No. 107 (Welsh Grand Committee (matters relating exclusively to Wales))—*[Mr. Betts.]*

Question agreed to.

EUROPEAN PARLIAMENTARY ELECTIONS BILL

Ordered,

That, in respect of the European Parliamentary Elections Bill, notices of Amendments, new Clauses and new Schedules to be moved in Committee may be accepted by the Clerks at the Table before the Bill has been read a second time.—*[Mr. Betts.]*

Third-world Poverty

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Betts.]*

2.30 pm

Mrs. Claire Curtis-Thomas (Crosby): As well as having the privilege of representing the people of Crosby and Formby, I am an engineer. I am a fellow of the Institution of Mechanical Engineers and I sit as a senator on the Engineering Council, which, as hon. Members may be aware, represents the UK's 38 engineering institutions. The council's purpose is to promote the interests of engineering and engineers, encouraging us to do more not only to support the economy, but to alleviate some aspects of world poverty. Engineers and engineering can play a key role in that activity.

World poverty is one of the greatest and most intractable challenges of our time, as the Government, to their great credit, recognised in their White Paper, "Eliminating Poverty: A Challenge for the 21st Century", which was published last November. I intend to bring to the fore the vital role that engineering has to play in achieving the target agreed by the United Nations to reduce by 50 per cent. the number of people living in extreme poverty by 2015. I hope that the Government will join me in encouraging the engineering community in its critical role in the 21st century.

The Telford challenge—a cross-institution partnership of engineers that was set up with matching Department for International Development funding—provides the framework within which to mobilise the global engineering community to develop engineering education, skills and practice in developing countries to combat world poverty.

DFID figures show that one person in four of the global population lives in extreme poverty. That amounts to 1.3 billion people—more than the entire population of China and the United States together. Those poor people survive on less than 65p per day for all their basic needs.

Poverty is a global issue. It occurs right on our doorstep in central and eastern Europe. However, the largest numbers of people living in extreme poverty are in south and east Asia, the Pacific regions and sub-Saharan Africa. Many of the poorer countries in those areas have eternal foreign currency debts. Debt repayment leaves them with scant resources with which to provide vital health, sanitation and education services to the poor and needy.

The poverty-stricken individuals at the end of the chain feel isolated and totally powerless—they have no say in how their lives are run. With the threat of massive population growth over the next few decades, the resources in rural areas and city margins of developing countries will rapidly diminish, leaving the poor and needy with bleak prospects of a better life. It is essential that action is taken now to assist developing countries in dealing adequately with the huge challenges ahead.

It is clear that my colleagues, the engineers of the United Kingdom, play a primary role in the stability and economy of developed countries, but their role in disasters in developing countries is also pivotal. Their response to crises such as hurricanes, earthquakes and tidal waves has always been immediate and has had an immeasurable impact on the stricken communities, which are often bereft of the three basic needs—water, food and shelter. The international aid agencies now recognise organisations such as RedR—Registered Engineers for Disaster Relief—an invaluable body that selects, trains and provides competent and effective relief personnel to humanitarian relief agencies worldwide.

It should now be universally acknowledged that the engineering profession as a whole is ideally placed to address the fundamental needs of the developing world for the sustainable long-term relief of poverty. The enormity of the problems that face developing countries now, as they have faced them in the few decades, means that a broad range of professionals and non-governmental organisations in partnership with Governments need to work together to provide sustainable solutions to enable developing countries to face the challenges ahead.

The role of engineering within that process is critical. Engineers have the skills, experience and knowledge to provide and maintain the infrastructure that meets the three basic needs. They can provide fresh water, they can enable the production of food and they can provide the means for shelter. It is now our responsibility to ensure that those skills are not the preserve of the few, but are available to all who need them.

In the search for fresh water, engineering expertise and guidance are required to locate and extract water from new sources. A certain knowledge of engineering geology and an understanding of the materials available and simple structural techniques is all that is required to provide safe, permanent storage and a distribution system to supply agriculture and communities with fresh water from existing and new sources. If we as engineers have the knowledge and skills to supply each house in London with hot and cold water, we must share those skills and enable others to construct the simplest water supply to provide potable water to over 1.25 billion people who are currently without that essential service.

In the production of food, agricultural engineers are able to supply the simple education and tools required to improve the efficiency of farming methods used in developing countries. Communities and individuals could be supplied with, and taught how to maintain, simple agricultural machinery, which would improve productivity and the efficiency of the land. The provision of adequate road and transport infrastructure would ensure that the food that is so vital is transported to where it is required. Not least important is the maintenance engineer, who would keep the tracks roadworthy and the machinery in working order. If we as engineers can ensure that the supermarkets in Aberdeen are stocked with fresh produce overnight, we can pass on the knowledge required to establish that most basic of systems.

To provide shelter, engineers are able to teach local communities how to manufacture building materials from local resources to maintain a constant supply for the provision of low-cost housing schemes. Research and experimentation should be undertaken by engineers to improve the durability and construction systems for buildings to minimise the impact of freak weather conditions and natural disasters—for example, the design of simple anti-typhoon roofing, so essential in areas where climatic conditions are extreme. If we as engineers can design offshore oil platforms, we can share our understanding of materials to enable the design and construction of such low-cost—not low-tech—housing. Therein lies the real challenge.

[Mrs. Claire Curtis-Thomas]

The benefits to health and well-being are immediate following engineering intervention. The provision of a potable water supply to poor communities and the provision of adequate waste disposal systems would radically reduce the proliferation of diseases attributable to poor sanitation. Frequently, those diseases contribute greatly to deaths—sometimes, the death rate from them outstrips that from the original disaster. By facilitating the initial development of infrastructure to fulfil the three basic needs, engineers also contribute to the generation of the local economy by involving local contractors in educating, mobilising and empowering the local work force, equipping them with employable skills.

Engineers could mobilise self-help within the community to rehabilitate and maintain tertiary roads in rural areas. Engineers are in an ideal position to influence the creation of institutions for road programmes at national and provincial levels. The presence of new infrastructure facilitates new trade opportunities for rural areas. It improves accessibility to schooling and health care, and reduces associated transport costs. That clearly provides the initial relief sought by poverty-stricken, isolated communities—bringing solutions to those communities by preventing the mass migration of the rural poor to the city margins looking for food, shelter and employment.

The engineering profession can greatly contribute to supplying the long-term needs of the community. Through basic education, training and employment, engineers can empower communities to set up small industries and contracting firms, creating employment opportunities, developing local expertise and employing skills in the eradication of poverty. Engineers can make available to education authorities assistance to promote the study of mathematics, science and the environment for pupils at an early age, to encourage the study and use of engineering skills.

We in developed countries have well-organised systems of government, commerce and industry, with a sustainable skills base in science and engineering. By contrast, developing countries are weak in those areas and ill prepared for the serious challenge ahead. My right hon. Friend the Secretary of State for International Development has said:

"It is within our grasp to set about eliminating poverty. It is now our moral duty to rise to this challenge."

The examples that I have given clearly show that engineers can start the ball rolling and maintain the momentum. Responsibility must be taken by the profession worldwide for developing the skills of engineers at the grass roots in developing countries, so that they can become equipped to help themselves.

I ask my hon. Friend the Minister to implore the UK engineering institutions and organisations to identify policies and priorities for engineering interventions that contribute to poverty elimination. They must improve accessibility to existing and new technology so that all communities benefit; devise strategies to achieve sustainable development; promote constant energy-saving and anti-pollution policies; and strengthen local and national institutional structures to promote the human resources available to maintain appropriate technology training and the sharing of skills and experiences.

The engineering community must respond to new demands on infrastructure, such as dams, in the face of the varying precipitation patterns that are a direct result of global warming; instigate pro-poor environmental improvements; and encourage international industries to target procurement of projects at small, local contractors, to increase employment opportunities. Developing countries will become important markets, so it makes good business sense to invest at the grass roots.

Engineering institutions and organisation must improve professional communication, to spread the word of successful policies and initiatives for wealth creation and sustainable development, so that developing countries can consider best practice developed elsewhere and formulate their own policies.

The Telford challenge is an example of how engineers can act. It is a new cross-institution initiative launched in May to mobilise the international network of engineers to help to combat world poverty. It aims to become a think tank of ideas and best practice for engineering schemes contributing to poverty alleviation. A database of ideas, schemes and individual and corporate expertise will be established and disseminated throughout the world network of engineering contracts.

Sponsorship, together with funding from the Department for International Development will enable the Telford challenge to sponsor educational schemes that promote the skills of engineers in developing countries, stimulating them to develop innovative ways in which to eliminate the basic causes of poverty and help the poor to improve their lives.

I ask the House to commend the Telford challenge for seizing the initiative to engineer the alleviation of world poverty, reminding every engineer in the developing world that it is within our grasp to meet the needs of the world's poor. We can no longer ignore that fact.

2.44 pm

The Parliamentary Under-Secretary of State for International Development (Mr. George Foulkes): I warmly congratulate my hon. Friend the Member for Crosby (Mrs. Curtis-Thomas) on securing this debate. The House is grateful to her for highlighting the role that her own profession of engineering can play in helping to eliminate world poverty; I wish my profession of psychology also had a contribution to make, although it cannot be as advantageous. I also thank my hon. Friend for her positive comments about the Department and the White Paper.

As we have heard, engineering solutions can make an important contribution across a broad range of areas. My hon. Friend mentioned the need for access to safe water. I was struck by a recent estimate by the World Health Organisation that around 3 million children in developing countries die needlessly each year from waterborne diseases because of lack of access to safe drinking water. To give some meaning to that statistic, it is roughly equivalent to around one quarter of British children under 10 dying each year because they do not have clean water. We cannot tolerate that: the provision of safe drinking water for all must be a high priority for engineers working in developing countries. The Government have set a target for this sector for assistance under our international development programme and we are currently pursuing a number of new initiatives.

In Zimbabwe, South Africa, Ghana and India for example, we have recently started new projects that specifically target poor rural communities which do not have access to a safe water supply. In taking these projects forward, we are working with local engineers and encouraging an integrated approach to water supply, sanitation provision and health education, because that is the only way in which the full health benefits can be realised.

Engineers can help in several other ways to make a real difference to the lives of the people living in the world's poorest countries. For example, in many developing countries wood fuel meets more than 90 per cent. of the energy needs of the rural population. They have no alternative, but it is little wonder that the forests in many of those countries are fast disappearing, with the consequent adverse effect on climate.

Improved access to modern energy sources is another area in which engineers have a leading part to play in helping to find affordable solutions. Such solutions do not need to be complex. The use of a simple cooking stove, which can be made locally, can lead to a 50 per cent. saving in fuel. That can also save many hours of toil, especially for women and children. The time that would have been used to search for wood to burn can be spent in the garden to improve food production or, for the children, in study. The potential of solar power is also rarely used to maximum advantage and the installation of a solar cooker can make a real difference. The Department is actively working with engineers from a number of non-governmental organisations in our partner countries, helping to disseminate knowledge on those simple technologies and, in many instances, helping to establish a local manufacturing capacity.

The provision of mains electricity is often considered by many utilities to be too expensive for the poor. The reality is very different. The sad fact is that the poor are often forced to pay more for their energy needs than wealthy people. Lighting from a paraffin lamp costs about 100 times as much as lighting from mains electricity on an output-for-output basis, and running a radio on dry cell batteries is 1,000 times more expensive than using mains electricity.

Improved transport access is yet another area that can make a real difference to the lives of poor people living in rural areas. Without transport access, farmers cannot get their excess produce to market to help to improve their incomes. Just as important is the reduction in isolation that can result from the construction of a simple access track to a village that would otherwise be several days' walking distance from the nearest road. The Department is especially active in such work. In the Zambezia province of Mozambique we are, for example, currently funding the construction of 300 km of feeder road to help to re-establish farms in areas that were left largely uninhabited following the recent civil strife.

An interesting aspect of the project, which we are using as a model for other countries, is the idea of using construction works to help develop a local contracting capacity. The roads are being built by local people who have established construction companies specifically for that purpose. The project includes support for the new companies from British engineers who can help them to develop into fully fledged commercial operations. Plant and equipment used on the project is purchased by the new contracting companies on hire purchase arrangements out of payments under our project. When we leave the area on completion of our project, our engineers will leave behind a new local industry that will be able to carry out future projects on a commercial basis without the need for outside support.

Installing new water supply systems, building rural roads or installing a solar power system will only be a short-term solution unless, as my hon. Friend rightly pointed out, a system is in place to maintain these facilities and to keep them in good order. Increasingly, for basic infrastructure provision, that means establishing a local maintenance capacity that involves the end users. Both in rural areas and in city slums, communities are forming user groups that can take on the responsibility for operating and maintaining community infrastructure. To help to develop the participatory approach to infrastructure provision, engineers need to develop new skills, and I am glad to say that I see that happening as I visit developing countries.

At the national level, adequate infrastructure provision is an essential ingredient for economic growth. Industry requires good transport links to import raw materials to the factories and to export finished products. A reliable power supply is required to keep production going. Studies have shown that there is a direct relationship between economic growth and infrastructure provision. If the poorer developing countries are to achieve the economic growth essential to the eradication of poverty, they will need to enable increased investment to be made in infrastructure.

Much investment will need to come from the private sector and, again, engineers will need to develop new skills and approaches. They will need to find ways of attracting private sector capital to help build and operate their schemes while at the same time ensuring that the services provided reach the poorest of the poor.

In that context, I am greatly enthused by Business Partners for Development, a recent initiative in which my Department is participating. It is designed to build partnerships between private utility companies and the poorer sectors of the community in order to improve service delivery. The interesting point is that the proposal came largely from private companies themselves. In the water sector, for example, the large European companies that have taken concessions to provide supplies in a number of cities in developing countries realised that their services were not reaching the slum areas. They wanted to work with slum dwellers to find a sustainable way to meet their needs, but lacked the in-house skills to develop the necessary participatory approaches. They therefore turned to the development agencies for help. Work of that type takes special skills and training, and it requires a multidisciplinary approach, with engineers working with a broad range of development professionals as part of an integrated team.

Helping to mitigate the results of natural disasters is another area in which, sadly, the skills of the engineering profession are being called upon all too often. The recent hurricane damage in central America is a case in point. There is an urgent need to improve transport links in order to get supplies into stricken areas and to reinstate clean water supplies to prevent the spread of disease.

[Mr. George Foulkes]

My Department, and the donor community in general, are actively organising support both from professional engineers and in the form of materials to help address those needs.

No matter how hard they work, engineers and other professionals from developed countries cannot by themselves provide the inputs needed to eliminate poverty. Ultimately that will be achieved only if our developing country partners have their own professionals who can develop their own local solutions to local problems. That too is an area in which the United Kingdom engineering profession is leading.

My hon. Friend mentioned the Telford challenge, which is an initiative of the Royal Academy of Engineering and some of our major professional engineering institutions—I have the brochure here. Those institutions have jointly reacted to the call for partnership set out in the 1997 White Paper on international development, of which my right hon. Friend and I are rightly proud. They have approached the Department to find out how they might work with us to help to eliminate world poverty.

The resulting challenge fund, which is funded jointly by the Department and the UK engineering profession, aims to develop local indigenous engineering talent in the world's poorest countries, and provides a network of support to help them solve their local problems.

Our partner institutions in that endeavour have accepted that there can be no quick fix to those problems and that it will take many years. However, they have assured us that they mean to stick with us and are mobilising support from the engineering profession in general. That is an excellent idea, which I hope other professions will follow.

I agree with my hon. Friend—as do the Department and the Government—that engineers have an important part to play in eliminating world poverty. I am confident that professional engineers from the United Kingdom will continue to play a leading role in helping to achieve that.

We are grateful to my hon. Friend for raising the issue; and, more important, poor people in developing countries will be grateful to her for focusing the attention of the House on this important matter.

Question put and agreed to.

Adjourned accordingly at four minutes to Three o'clock.

House of Commons

Monday 30 November 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Drug Treatment and Testing Orders

1. **Yvette Cooper** (Pontefract and Castleford): If he will make a statement on the pilots for drug treatment and testing orders. [61087]

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): Pilots of drug testing and treatment orders are taking place in Croydon, Gloucestershire and Merseyside. The first order was made in Croydon on 17 November. We shall evaluate the pilots thoroughly before national implementation.

Yvette Cooper: I know that my hon. Friend has visited Pontefract and Wakefield drug court, which is pioneering a new approach to getting offenders off drugs. Will he join me in congratulating those who set up the programme, including the sponsor Marks and Spencer, Euromed, the local health authority and the police? Is he aware that the drug court is under threat just because of a six-month shortfall in funding? Given that it would be tragic to lose such a programme when we should be expanding its work across the country, will he consider any way in which the Government can help to make sure that the drug court does not go under?

Mr. Howarth: As my hon. Friend rightly said, I have visited the drug court. I understand that it is in discussion with local agencies to try to resolve the difficulties that she described, and the matter is essentially a local one. Talks are well under way and there is no cause for panic. It is a worthwhile venture, and I hope that the talks will be brought to a successful conclusion so that the good work already started can be continued.

Domestic Violence

2. **Helen Jackson** (Sheffield, Hillsborough): What steps he is taking to reduce the incidence of violence in the home. [61089]

The Parliamentary Under-Secretary of State for the Home Department (Kate Hoey): We are taking forward a range of measures to achieve that, in collaboration with a number of colleagues across Departments. In particular, we have made it clear that we expect the local crime and disorder audits being carried out under the Crime and Disorder Act 1998 to address domestic violence, and we are working on a cross-departmental awareness campaign for England and Wales, to be launched in the new year.

Helen Jackson: Every day last year in Sheffield, a woman had to be rehoused, having lost her home because of domestic violence. Three quarters of cases reported to the police also involved children. We must recognise that far more than double that number experience violence in the home, but do not report it. I congratulate the Government on making violence against women one of the key points in the recent policy document "Delivering for Women". However, what practical steps is the Minister taking to ensure that homes are safe places for women and children, and not safe havens for violent criminals as they currently appear to be?

Kate Hoey: I thank my hon. Friend for that question. She may be aware that research has been commissioned by the Department of the Environment, Transport and the Regions, the Department of Health, the Department of Social Security and the women's unit to look into the accommodation and support services available to those who suffer domestic violence. The research includes a survey of refuges and a comprehensive view of provision by local authorities. It will be completed late next year.

Mr. John Bercow (Buckingham): How many local authorities and police forces have set up domestic violence units? Will the Minister confirm that none of those units is expected to close as a result of resources being devoted to other laudable anti-crime and disorder initiatives that are flowing from recent legislation?

Kate Hoey: I am sure that the hon. Gentleman would like an exact answer to his question and I am prepared to write to him as I do not have the precise information here.

Mrs. Helen Brinton (Peterborough): Does the Minister agree that 400 women's refuges in England and 45 in Wales are not enough to help victims of domestic violence? Does she agree that we really need tougher sentencing in the courts so that the people who commit the crimes do not get away with it?

Kate Hoey: As my hon. Friend knows, the Government treat crimes of violence committed in the home very seriously. Those crimes damage the family and society as a whole, and we are determined that they will be taken seriously. The review that I have mentioned is also considering long-term arrangements to achieve a fair balance between demands on housing benefits and other sources of funding. That may mean that local authorities will find that the cost of providing refuges, which may be more initially, results in savings in the long term. We do not want resources to be a reason why women—or men—have nowhere to which to flee if they are in danger.

Mr. Edward Garnier (Harborough): One problem, which the hon. Lady may already know of, is that men and, particularly, women who suffer domestic violence

withdraw their complaints when they get near or arrive at the court stage. What can she do to assist such people in maintaining their complaints all the way to a verdict?

Kate Hoey: The hon. and learned Gentleman is right. He will welcome the new criminal justice measures in the Queen's Speech, which will help vulnerable and intimidated witnesses, including those who have suffered and survived domestic violence.

Child Protection

3. **Ms Helen Southworth** (Warrington, South): How he intends to take forward the proposals to safeguard children by creating a comprehensive single access point for police and other record checks in staff recruitment; and if he will make a statement. [61090]

The Parliamentary Under-Secretary of State for the Home Department (Kate Hoey): The interdepartmental working group that we set up to look at that matter is due to make its main recommendations by the end of the year. Subject to our consideration of its proposals, we then expect the group to take forward the detailed work that will be needed to give effect to its recommendations.

Ms Southworth: My hon. Friend is to be congratulated on that response. She is aware of considerable concern in my constituency, and across to north Wales, about the fact that we have all failed to protect children from abuse by predatory adults. Can she assure me that the one-stop shop will proceed rapidly, that it will contain comprehensive information and that clear instructions will be issued on when it should be used in the recruitment and selection of staff and voluntary workers, so that we can make a better job of protecting children from violent, dangerous people who attempt to obtain a position of power and authority over them?

Kate Hoey: I thank my hon. Friend and I know how much work she has put into that important issue. It is likely that we will recommend a one-stop shop, because the group's emerging recommendations envisage a central access point for three sources of information: criminal records; list 99, which is held by the Department for Education and Employment; and the consultancy index, which is held by the Department of Health. The front-runner at the moment for the central access point is the criminal records agency, which we are hoping to get up and running within two years from the date of the formal announcement.

Mr. Shaun Woodward (Witney): Is the Minister aware of the stories in the *Oxford Mail* reporting that thousands of people with convictions for sex offences live in the Thames valley area? The head of the local family protection unit says that only 150 former sex offenders are monitored and registered by the police. What assurances can the Minister give my constituents in Oxfordshire and the people who are worried about the large number of former paedophiles in Oxford that they will be adequately protected?

Kate Hoey: The hon. Gentleman will be aware that I have not seen that newspaper's reports and the serious allegations that it contains. As I understand it, we know about some 98 per cent. of offenders, but I am sure that the local police take the matter seriously. I will look into it.

Dr. Brian Iddon (Bolton, South-East): I have written to the Home Office on several occasions querying the length of time that it takes to perform checks in the Greater Manchester area through the police. The delays are seriously damaging such schemes as the mentoring scheme run by the Bolton lads and girls club, which is intended to keep young people out of trouble. Can my hon. Friend assure the House that any new scheme will be quicker than existing schemes?

Kate Hoey: Clearly, if we are to make improvements, we want to speed up the checks. I do not have direct responsibility for the speed with which checks are made, but I am happy to look into the issue and report back.

Doncaster Council

4. **Mr. Richard Allan** (Sheffield, Hallam): If he will estimate the costs of the investigation by South Yorkshire police into allegations of wrong-doing by Doncaster councillors up to 1 November. [61091]

The Minister of State, Home Office (Mr. Paul Boateng): I understand from South Yorkshire police that the estimated cost of the investigation up to 1 November is £200,955, including £49,729 in accommodation and miscellaneous service costs.

Mr. Allan: I am mindful, Madam Speaker, of your proper rulings on sub judice matters, so I shall refer not to individual cases but to issues of general principle.

I assure the Minister that I wish to see allegations of corruption by councillors of any colour investigated with all possible vigour. Does he intend to apply to those convicted of council corruption his recently announced proposals to make criminals pay from the proceeds of crime? If so, the council tax payers of South Yorkshire, including those living in my constituency of Sheffield, Hallam, could be sure that whatever funds can be recovered are recovered to help to pay for our hard-pressed local police forces.

Mr. Boateng: That would be entirely a matter for the courts, as and when the occasion arose, but, of course, all hon. Members would be concerned to ensure that corruption is treated as seriously as it deserves, from whatever source it comes.

Mr. John Greenway (Ryedale): I welcome the hon. Gentleman to the Dispatch Box and look forward to working with him in the months ahead. Does he not realise that people in Yorkshire have more confidence in the police to clear up the mess than they have in the Labour party? They want to know how an already overstretched police service can be expected to cope with the four inquiries that it is undertaking and at the same time deal effectively with crime and disorder. Will he give the public a cast-iron reassurance that other policing priorities are not being neglected? Is not the real scandal

that the police have been put in an impossible position for no other reason than the events in the Labour party in Yorkshire?

Mr. Boateng: Although I thank the hon. Gentleman for kindly welcoming me to the Dispatch Box, I am sorry that he should choose so early on to descend into party politics on this matter. He knows that the investigations in Doncaster have extended across the party political divide. He and his colleagues are the last people to be able to point a finger at us about corruption. The allocation of resources to that investigation is entirely a matter for the chief constable. We have every confidence in his ability to ascertain what resources ought to be applied and to ensure that that is not done at the expense of the other law and order priorities in Yorkshire.

Mr. Dennis Skinner (Bolsover): Does my hon. Friend agree that we all deplore corruption in local government or anywhere that we find it, but that it ill becomes Tory Members to talk about Doncaster or anywhere else when they will not call on their old friend Lady Porter to pay back the £20-odd million that went missing in Westminster? Why do they not do so? Because she is a Tory and a friend of Lady Thatcher.

Mr. Boateng: We have grown used to double standards from Conservative Members. The day that their spokesperson condemns Lady Porter from the Dispatch Box will be the day that they can give us lessons about corruption and abuse of power.

Police Expenditure

5. **Mr. Christopher Fraser** (Mid–Dorset and North Poole): If he will make a statement on his spending plans for the police service for each of the next three years. [61093]

The Secretary of State for the Home Department (Mr. Jack Straw): Following the outcome of the comprehensive spending review, I announced on 21 July our plans to allow police spending to increase by 2.65 per cent. next year, by up to a further 2.8 per cent. in the following year and by up to an extra 4 per cent. in 2001-02. That represents an extra £1.24 billion over the next three years. Part of the additional funding for the second and third years will be dependent on the police achieving targets for efficiency improvements of 2 per cent. a year.

Mr. Fraser: Will the Home Secretary join me in congratulating Dorset police, who have reduced crime to 1990 levels? Does he recognise the concerns that were expressed to me by the chief constable in Dorset, who said that funding increases would barely pay for pensions in the forthcoming year, let alone maintain the police service? What can the Home Secretary say or do to allay his fears and those of my constituents?

Mr. Straw: I am certainly happy to congratulate the chief constable and his officers on what has been achieved in Dorset and to provide reassurance. First, the settlement that I announced in July amounts to a real-terms, albeit modest, increase in police spending for each of those years. Secondly, the hon. Gentleman and his colleagues must acknowledge that there is ample scope for economies and efficiency savings in the police service. That has already been demonstrated by the way in which police services have had to deal with sickness and early retirement.

The best advice that I can give to the chief constable and the police authority in Dorset is to apply themselves to the still unimplemented recommendations of Her Majesty's inspectorate of constabulary, which give huge scope not only for making efficiency savings, but for increasing the effectiveness of the police service within the budgets that we have set.

Mr. Barry Sheerman (Huddersfield): I congratulate my right hon. Friend on his recent announcement, which adds up to a reasonably generous settlement for the police. At the same time, may I encourage a thorough review of all police force management structures? Is it not about time that we started thinking the unthinkable on how to get better value for money out of top-quality managers and good management techniques in the police force—even, perhaps, abolishing the notion of chief constables for a more modern management structure that delivers the goods to the British public?

Mr. Straw: I have no proposals to abolish the posts of chief constables. What we need, and on the whole have, are highly experienced and skilled professionals at the head of the police service. I accept the rest of my hon. Friend's question; it is not thinking the unthinkable. The Association of Chief Police Officers and the Association of Police Authorities accept the case for a better career and training structure in the upper levels of the police service. On top of changes to improve the effectiveness of the police service, we shall be ensuring that best-value arrangements apply to it.

Sir Norman Fowler (Sutton Coldfield): Does the right hon. Gentleman agree with the statistical section of the House of Commons Library that, between 1979 and 1997, there was a real increase of 72 per cent. in spending on the police, which meant an increase in police strength of 15,000? Under his plans, there will be no real increase in spending whatever between 1997 and 2001. Does that not mean an inevitable reduction in the strength of police forces?

Mr. Straw: What I will accept, not from the Library of the House but from the *Official Report*, is that there is no case whatever for the Opposition to lecture us about the £1.24 billion increase in police spending because, far from criticising us for spending too little, the shadow Chancellor—the right hon. Gentleman may have been asleep when his right hon. Friend said this, and one can understand why—has been criticising us for spending too much. Indeed, he described this spending settlement as "reckless". The right hon. Member for Sutton Coldfield (Sir N. Fowler) must spell out by how much he would reduce police budgets if he were in power.

Sir Norman Fowler: I will not take lectures from the right hon. Gentleman on controlling public spending, as he knows only too well. Does he not understand that he has reduced the financial commitment to the police service? There are reports from around the country that

the strength of police forces is falling, and will fall further. How does he square that with his boast to be tough on crime?

Mr. Straw: Police service numbers fell by 500 between 1992 and 1997. It is my duty to point out the Opposition's double standards. I have here a wodge of letters that I have written to the right hon. Gentleman over the past four weeks, all of which are unanswered, in which I have asked him to say exactly by how much police spending would fall following his right hon. Friend the shadow Chancellor's criticism of our spending, not for being too little but for being too much.

Moreover, I have here a little-known work, "Ministers Decide", which was originally priced at £18, but was knocked down, first to £2 and then to £1, and was picked up by a friend of mine. In it, a Mr. Norman Fowler, as he was then, says:

"The trouble with some of those who make much of their support for"—

a particular public service—

"is that they also oppose any measures taken to make it more effective."

The right hon. Gentleman was talking about the health service, but his criticism applies equally to the police service.

Sir Norman Fowler: The trouble with this Secretary of State is that he is not deciding; this Minister is simply going along with the Chancellor of the Exchequer's plans. He challenges me on public spending, but does he not know that the changes that I made to the state earnings-related pension scheme will mean eventual public spending savings of £30 billion? I am not prepared to take lectures from the right hon. Gentleman.

Let the Home Secretary stop wriggling and return to the subject of the police. Why will he not admit that his plans will entail the reduction of the police service and police forces throughout the country?

Mr. Straw: The most lasting part of the right hon. Gentleman's epitaph will be the other thing that he did to SERPs—which was to set up portable personal pensions, by which hundreds of thousands of people throughout the country were defrauded by private insurance companies. I have spelt it out in answers to the right hon. Member for Berwick–upon–Tweed (Mr. Beith) that the spending increases that we have proposed will result in a modest but real increase in spending, year on year. That is the truth. The other truth, which the right hon. Member for Sutton Coldfield (Sir N. Fowler) cannot gainsay, is that, were he in power, and were he following the opinion of his right hon. Friend the shadow Chancellor, spending on the police, as on other public services, would decrease.

Freedom of Information

6. **Judy Mallaber** (Amber Valley): What is the proposed timetable for consideration of the draft freedom of information Bill. [61094]

The Secretary of State for the Home Department (Mr. Jack Straw): And now we come to freedom of information.

The Government will publish a draft freedom of information Bill early next year for pre-legislative scrutiny by the Select Committee on Public Administration, and for public consultation. Following that, the Government will introduce the Bill to Parliament as soon as the legislative programme allows.

Judy Mallaber: Will the Secretary of State confirm that legislation on freedom of information remains an important plank of the Government's programme to modernise Britain as we move towards the millennium? Does he agree that measures on openness and accountability are a central part of that constitutional programme, which includes reform of the second Chamber, devolution of power and incorporation of human rights? Will he press for that legislation to be introduced as soon as possible after consultation on the draft Bill, and for it to be moved as high in the parliamentary timetable as possible?

Mr. Straw: The answer to all those questions is yes. We do regard the matter as important. I hope that the whole House will recognise that, by having a draft Bill, we give the House a greater opportunity properly to scrutinise the legislation. In advance of the Bill, many Ministers, including me, have taken steps to secure greater openness.

Mr. A. J. Beith (Berwick–upon–Tweed): Has not the information that is emerging about the handling of the bovine spongiform encephalopathy affair demonstrated that the public and the business community urgently need freedom of information? As a previous Minister, the right hon. Member for South Shields (Dr. Clark), said in the House that the Bill was 90 per cent. drafted, does the Home Secretary acknowledge the disappointment at the fact that the process is taking so long? Will he, therefore, consider whether the process might be accelerated, and will he consider the fact that the Bill could be a candidate for the new carry-over procedures, so that, following consultation, it is introduced later this Session and carried over into the next?

Mr. Straw: I pay tribute to my right hon. Friend the Member for South Shields (Dr. Clark) for the work that he did on the freedom of information Bill, but, as I believe that he would acknowledge, a great deal of work remained to be done before the Bill could be put in proper draft order. That work is now being done. Early next year a draft Bill will be published, which will then go to the Select Committee on Public Administration. I dare say that it will return to the House for debate. In those circumstances, and given the fact that the present Session is shorter than usual, I think the possibility of its being introduced this Session is very limited indeed.

Community Sentences

7. **Mr. Jim Cunningham** (Coventry, South): What plans he has to make community sentences more *(a)* rigorous and *(b)* effective. [61096]

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): It is important that community penalties are seen as credible and effective by the public and the courts. The probation

services are currently working to implement a detailed programme of action to reduce reoffending. We will shortly issue further guidance to promote more rigorous enforcement of community sentences.

Mr. Cunningham: Does my hon. Friend agree that the introduction of a witness protection scheme would be a vigorous and effective way to make community sentences more effective? When would he like to introduce such a scheme? Will he take the opportunity to acknowledge the work done in magistrates courts in Coventry, and "Reclaiming Our Communities"—an initiative of Coventry city council?

Mr. Howarth: As my hon. Friend knows, there are proposals in the Queen's Speech to extend witness protection, particularly into the magistrates courts. I hope that these proposals will meet my hon. Friend's concerns, which I know are shared by many in the community, especially when they feel in any way intimidated.

Mr. David Heath (Somerton and Frome): Will the hon. Gentleman acknowledge that one of the key factors in making community service work is the quality of the probation service? Will he therefore give me an assurance that disparate probation services will be amalgamated not simply to make them coterminous with police authority areas, but only to make them more effective and efficient?

Mr. Howarth: As the hon. Gentleman probably knows, a Prison Service probation review is under way. I would not want to gainsay what might come out of that. Clearly there has been a commitment in the past to try to make the probation services coterminous with police boundaries, which I think makes sense. I think also that a growing number of people in the probation service are coming to understand that that will make sense.

The hon. Gentleman should be aware that an extra £127 million has gone into the probation service as a result of the comprehensive spending review. I hope that that will enable the service to carry out the work that is expected of it, unreformed or otherwise, by society and by the House.

Mr. James Clappison (Hertsmere): Does the Minister agree that, if community sentences such as electronic tagging are to command the confidence of the public, they must be respected as being effective sentences? Does the hon. Gentleman not think that the public's confidence in community sentences such as tagging will inevitably be undermined when they discover that tagging is used to release prisoners early from their sentences, so that a sentence of six months in prison will mean only six weeks inside in practice? Will not the public think, as has been said, that the criminals are getting away with it? Does the Minister not agree that, if the Government are really to be tough on crime, as opposed to boasting about being tough on crime, community sentences and sentences of imprisonment should mean what they say?

Mr. Howarth: The hon. Gentleman has missed the point. The purpose of the curfew orders to which he refers is not to let prisoners out early to do what they want but to have a properly managed and supervised period between the completion of a sentence and the time when they are completely free of any penalty. If the hon. Gentleman thinks that that is not sensible, I suggest to him that he examine some of the projects where such a transition has been effectively run. That process does not necessarily involve tagging, but the process that tagging enables to happen is an important one.

The hon. Gentleman is bandying statistics that may in some instances apply, but in others will not. In so doing, he misses the point entirely. I think that most people accept that there must be some connection between the end of a prison sentence and prisoners going on to lead a respectable, law-abiding life. If the hon. Gentleman cannot understand that, I suggest that he has a long, hard think about law and order. He clearly does not understand what is going on in this country.

Police (Freemasons)

8. **Mr. Tony McWalter** (Hemel Hempstead): If he has plans to require senior police officers to confirm whether or not they are freemasons; and if he will make a statement. [61097]

The Parliamentary Under-Secretary of State for the Home Department (Kate Hoey): All police officers, of whatever rank, will be asked to disclose whether they are freemasons as part of the Government's policy to set up voluntary registers across the criminal justice system.

Mr. McWalter: I thank my hon. Friend for her answer. Indeed, I commend the work on freemasonry that my right hon. and hon. Friends on the Government Front Bench have been carrying out. Will my hon. Friend bear in mind the fact that a society that is secret and deemed to have extensive powers is capable of precipitating real fear in society? Indeed, some Members have told me that I was courageous to table the question. In these circumstances, I hope that my hon. Friend will bear it in mind that a voluntary code may not be enough and that the timetable that she is suggesting may be much too lenient.

Kate Hoey: I thank my hon. Friend. We are committed to a voluntary scheme. Clearly, compulsory steps requiring employees in the criminal justice system to disclose freemasonry membership will be introduced only if a review of the voluntary register arrangements show that they have not been effective.

Mr. Tim Boswell (Daventry): I can assure the House that I have absolutely no direct interest in the matter, but will the Minister reflect on the unwisdom of singling out any particular group that happens to be a minority, because the principle could be extended to other minorities in terms of the practice of their religion, to ethnic minorities, or, in extremis, even to old Labour?

Kate Hoey: As the hon. Gentleman is aware, there is a perception that any secret organisation might have something to hide. Clearly, it is in the interests of the criminal justice system to be open and accountable. The voluntary way forward—voluntary registers—has so far received support from all the chief constables and is the right way forward. I do not think that anyone is suggesting that, just because someone registers membership of an organisation, it in any way implies that that person has done something wrong.

Car Crime

10. **Mr. Andrew Dismore** (Hendon): What measures he proposes to introduce to reduce car crime. [61099]

The Minister of State, Home Office (Mr. Paul Boateng): The Government regard vehicle crime as a very serious matter; after all, it amounts to about 24 per cent. of all reported crime. On 29 September, my right hon. Friend the Prime Minister announced a national target, aimed at delivering a 30 per cent. reduction in vehicle crime over the next five years. To achieve that, we have recently established a ministerial task force, the vehicle crime reduction action team.

Mr. Dismore: Does my hon. Friend welcome, as I do, the work of Barnet motor project, which is based in the Peel centre in my constituency? The project has been working with young offenders and those thought to be at risk of offending, channelling their enthusiasm for the motor vehicle into more constructive work—for example, by teaching them to drive and service vehicles off road. Does my hon. Friend agree that that is a constructive and useful way of tackling motor crime?

Mr. Boateng: It is certainly one of a range of activities in which young people can be engaged so as to get them to recognise the implications of motor vehicle crime, both for themselves and, more important, for the general public. It is a real mischief with which the Government are determined to get to grips. Our challenging but achievable target is an indication of our seriousness.

Surrey Police

12. **Mr. Nick Hawkins** (Surrey Heath): What representations he has had from Surrey police force regarding funding for expected manpower levels over the next three years. [61101]

The Minister of State, Home Office (Mr. Paul Boateng): We have received representations from the chairman and the treasurer of Surrey police authority about the funding of the Surrey police. The provisional police funding settlement for England and Wales in 1999-2000 will be announced later this week.

The proposed boundary changes between the Surrey police and the Metropolitan police in April 2000 will result in some transitional costs for the police authority next year. We are considering its bid for extra funding to help meet those costs.

Mr. Hawkins: I am grateful to the Minister for indicating that that matter is under consideration, but, when examining the overall funding position of police authorities such as Surrey, as well as the funding position of the national crime squad and the national criminal intelligence service, he will be aware that value added tax and the ability to reclaim it are currently a big issue. I see the Home Secretary nodding; will the Minister confirm that that issue will be carefully looked into? We do not want our police forces to be handicapped by being less able to reclaim VAT, with the result that there is less money for police officers on the beat, which is what concerns all our constituents.

Mr. Boateng: Only last week, I met our former colleague Sir John Wheeler regarding the matter. He is doing excellent work with the authorities in that respect. My right hon. Friend the Home Secretary and I are taking a careful look so as to ensure that the police service is not disadvantaged.

Divorce

13. **Mr. David Chaytor** (Bury, North): What representations he has received on the proposals for divorce information meetings contained in his consultation paper "Supporting Families". [61102]

The Secretary of State for the Home Department (Mr. Jack Straw): The consultation period on the document "Supporting Families" is due to run to 31 January next year. Once the consultation period has ended, the responses will be analysed. However, none of the responses received so far has focused specifically on the proposals for divorce information meetings, the policy concerning which is a matter for my right hon. and noble Friend the Lord Chancellor.

Mr. Chaytor: I thank my right hon. Friend for that reply. Will he tell the House how he intends to evaluate the pilot schemes that are currently being undertaken in that respect? Does he agree that the proposals in the consultation document run the risk of setting up a series of hurdles through which divorcing couples will have to run? There will have to be one meeting for couples by themselves; a second, for individuals, to obtain information about the divorce process; and a third, a meeting of groups of people, to get information about the property and financial implications. Is that not overkill in terms of advice and provision of information?

Mr. Straw: The points that my hon. Friend raises are important in considering which way we go forward on that difficult issue. On the one hand, there is the view that divorce should be considered to be an entirely private matter, in which there should be no encouragement to mediation by the state or by anybody else; on the other, because children are almost always involved in divorce cases, there is a public interest. Trying to find a way through that will be difficult; it is difficult for this Government, and it was difficult for the previous Government, but we hope that some improved arrangements will emerge from the consultation.

Police Authorities

14. **Maria Eagle** (Liverpool, Garston): What plans he has to make police authority members more accountable. [61103]

The Secretary of State for the Home Department (Mr. Jack Straw): I have no plans at present to change the arrangements for police authorities. The majority of members on each authority are councillors who are democratically accountable to local people. Any member of a police authority may also be required to attend council meetings to answer questions about the conduct of police authority business.

Maria Eagle: My right hon. Friend is aware of a recent controversy involving Merseyside police authority, which has managed to appoint a new chief constable without its

selection panel apparently carrying out the most basic of duties, such as reading the papers in front of it and raising important questions with the candidate. Some of those members have resigned, but many have not. What advice can he give my constituents who are writing to me regularly asking what they can do to hold to account those members who are not elected councillors and who have yet to resign in view of the mess that they have made?

Mr. Straw: Of course I am aware of the controversy which has surrounded the appointment of the chief constable of Merseyside, but I want to make it clear in the House, as I have done already outside the House, that Mr. Norman Bettison was appointed in accordance with the standard procedures. His nomination was approved by the then Minister of State—my right hon. Friend the Secretary of State for Wales—and by me; he got the job fair and square; and he has my full confidence.

Door Supervisors

15. **Dr. Lynne Jones** (Birmingham, Selly Oak): If he will make a statement on the licensing of door supervisors. [61104]

The Minister of State, Home Department (Mr. Paul Boateng): We are committed to introducing statutory regulation of the whole of the private security industry, including door supervisors. As we suggested in opposition, there is no time for legislation on this issue early in our term of office. In the meantime, we are working with the industry and others to draw up firm proposals for comprehensive, effective and streamlined regulation of the whole of the private security industry. The consultation exercise was completed last year to inform that process. We are reflecting on the outcome, and hope to be able to announce our proposals for regulation shortly.

Dr. Jones: I thank my hon. Friend for that reply, but he will be aware from the endorsement in the foreword by the Under-Secretary of State for the Home Department, my hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth), that the code of practice produced recently by the British Entertainment and Discotheque Association, the Association of Chief Police Officers and the Local Government Association called for the registration of door supervisors to be put on a statutory basis as a matter of urgency. They say that that is the best way of tackling drug-related crime in night clubs. In view of their call for urgency, and the fact that the comprehensive legislation proposed by the Government is not imminent, will my hon. Friend consider extending to other areas the current provisions in the London Local Authorities Act 1996?

Mr. Boateng: We will certainly have a look at that; it is our policy to keep these matters constantly under review. All the organisations that my hon. Friend mentioned recognise that it would not be wise to regulate door supervisors alone, ahead of the rest of the industry. I commend all those—local authorities, the private sector and the police—who have already set up more than 100 schemes that are about registering door supervisors, and involve effective police checks and training. Good work is being done in Bradford, Middlesbrough, York and Liverpool. We want more of that work to be done, but, in the meantime, we will indeed keep the matter under review. There is an issue that needs to be addressed, and we are addressing it.

Forged Passports

16. **Mr. Gordon Prentice** (Pendle): How many persons have been found in possession of forged United Kingdom passports in the last 12 months for which figures are available. [61105]

The Parliamentary Under-Secretary of State for the Home Department (Mr. Mike O'Brien): The only comprehensive figures available relate to foreign nationals seeking entry to the United Kingdom who are detected in fraudulent possession of UK passports by the immigration service at our ports or airports. There were 584 such detections between 1 October 1997 and 30 September 1998.

Mr. Prentice: I thank the Minister for that reply. What about individuals already in this country who have access to forged UK passports? My hon. Friend must share my concern at the revelations in *The Observer* a week ago yesterday, which alleged that Mr. Abdullah Azad of the welfare centre in Manchester was making forged passports available to people who walked in through the door. That is appalling. The same article said that Mr. Azad was suggesting to people whose immigration status was in doubt that they should apply for asylum. Is it any wonder that legitimate applicants for asylum status are disconcerted by the fact that persons such as Azad can make the queues grow ever longer by encouraging people bogusly to apply for asylum status, to which they are not entitled?

Mr. O'Brien: My hon. Friend makes a good case for regulation of immigration advisers. The Home Affairs Committee recommended such a measure in 1992, as did the Labour party during the passage of Bills introduced by the previous Government. The Conservatives did not do so, but we shall regulate unscrupulous advisers. My hon. Friend the Member for Tottenham (Mr. Grant) has, for many years, held a list of approved advisers whom he can recommend to his constituents. Other MPs should consider their experience of advisers, and should give clear advice to their constituents about which corrupt or incompetent advisers they should avoid.

Dr. Julian Lewis (New Forest, East): Is the Minister aware of other recent press reports, which have detailed plans that the Government may offer an amnesty en masse to illegal immigrants? Will he comment on that, and confirm that, if any such amnesty is offered, it will not include anyone who is found to be in possession of forged documentation?

Mr. O'Brien: There will be no amnesty of people who have been refused asylum. The Conservatives left a backlog of cases: tens of thousands of asylum seekers, some of them genuine, had not been given a decision in six, seven, eight or 10 years. It was a shameful dereliction of duty. Now they complain when we are having to clean up their mess. If they had decided cases quickly, the mess would not have been created in the first place. We are

determined to restore integrity to our asylum system by tackling bogus applicants. We have taken the tough decision that the Conservatives ducked. They carp, we act. Where they failed, we shall succeed.

Norwich Prison

17. **Dr. Ian Gibson** (Norwich, North): If he will make a statement on the deaths in custody in Norwich prison during the last year. [61106]

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): Regrettably, there have been five self-inflicted deaths at Norwich prison during the past year. Inquests held in three cases resulted in verdicts of suicide, and two inquests are outstanding. Each death has been investigated thoroughly. A review of suicide awareness procedures was undertaken in May, which found no deficiencies in the procedures.

Dr. Gibson: I thank my hon. Friend for sharing my concern about the events in Norwich prison. Will he meet me and share some of the information that he has with me as soon as possible, so that I can see what has happened, because I have been denied information?

Mr. Howarth: Yes.

Police Disciplinary Regulations

18. **Mr. Ivor Caplin** (Hove): When he proposes to change police disciplinary regulations. [61108]

The Minister of State, Home Office (Mr. Paul Boateng): As my right hon. Friend announced in March, new police discipline regulations will come into effect on 1 April 1999.

Mr. Caplin: I thank my hon. Friend for that reply. Will he reassure the House that, under these new regulations, early retirement will not be a way of avoiding disciplinary regulations when they are required?

Mr. Boateng: Abuse of the discipline system through early retirement is to be deplored. The regulations will deal with that mischief. This is a long-overdue measure, which is widely supported in the police service.

Immigration Advisers and Solicitors

19. **Mr. Neil Gerrard** (Walthamstow): What representations he has received recently about improper practices by solicitors and immigration advisers. [61109]

The Parliamentary Under-Secretary of State for the Home Department (Mr. Mike O'Brien): Many Members of Parliament have made representations to me about constituents whose immigration or asylum cases have been undermined by incompetent or unscrupulous advisers. The Government will introduce legislation to regulate advisers in the forthcoming immigration and asylum Bill.

Mr. Gerrard: I have drawn my hon. Friend's attention to a number of firms in my constituency that have been involved in very dubious practices.

When my hon. Friend introduces the legislation and provides for registration schemes, will he please include solicitors? There are far too many solicitors around who seem to think that knowing nothing about immigration law is no barrier to taking on cases and giving advice.

In setting fees, will my hon. Friend bear in mind the fact that there are small voluntary organisations that may be capable of giving good advice? May I ask him not to set fees at a level that would drive them out of business?

Mr. O'Brien: My hon. Friend is right to point out that a number of reputable small organisations—and, indeed, law firms—operate in this sphere; but unscrupulous, incompetent, dishonest firms also operate. We need to introduce a system that regulates advisers.

I will pass on to my right hon. and noble Friend the Lord Chancellor, who is in charge of the legal profession, my hon. Friend's strong and properly expressed views on some solicitors whom he and I have encountered when dealing with constituency cases.

Mr. Roger Gale (North Thanet): The Minister will know that, as a result of the practices of some solicitors and immigration advisers, the county of Kent is now playing host to a large number of economic migrants, who impose a burden on it. In the Queen's Speech, the Home Secretary indicated that that financial burden would be removed and that central Government would pay, but in earlier parliamentary answers he has suggested the payment would cover only board and lodging. That means that the burdens of health care, education, policing and social services will continue to fall on the county.

Will the Minister clarify the position? What are the Government prepared to pay for?

Mr. O'Brien: We very much appreciate the work of Kent county council, and many councillors of all parties on that council. It has handled with skill and fortitude problems arising from the number of asylum seekers. I also praise the hon. Gentleman's constituents, and many others in Kent, for the way in which they have responded to the pressures on the area.

The hon. Gentleman is right: we intend to shift most of the burden of dealing with asylum seekers, in particular, on to Government, where it should have been in the first place. It fell on local authorities because of the way in which legislation was passed by the last Government. Support for asylum seekers will in future be dealt with by the central Government agency. There may well be other costs in relation to education; it is possible that they can be met by section 11 and other grants, but that will have to be discussed by the local authority and central Government.

I think that we shall be able to try to deal with many of the issues raised by the hon. Gentleman—issues that I consider to be genuine—during the next year.

Mr. David Winnick (Walsall, North): Is my hon. Friend aware that a number of so-called immigration advice firms encourage unrealistic claims, at a high cost to clients? When it is clear that there is no way in which an appeal can be upheld by an adjudicator, the client is

told to go and see his Member of Parliament. Is it not time that all the racketeering that is going on in so-called immigration advice was cleaned up? It is unfortunate that the last Government took no action, but we hope that the present Administration will do so soon.

Mr. O'Brien: We are committed to taking such action, and we shall do so as soon as possible. The whole way in which these rackets have been run is a scandal. All too frequently Members of Parliament are dragged into such cases, supposedly making representations that have often been made by law firms. Let me tell hon. Members that they should consider carefully before deciding to support an application from someone who has merely written to them. They should consider whether it is a good case. If it is, by all means let them put it to the Minister—but Members of Parliament should not advance cases that have been submitted to them as a way of dragging out the procedure, with requests for them to meet the Minister, so that people can stay in the United Kingdom for longer.

We need firm immigration controls. The Government are committed to such controls, and we ask hon. Members to support us.

Mr. Humfrey Malins (Woking): I agree with the Minister that unscrupulous immigration advisers are appalling, but will he take this opportunity to remind the House of the existence of the Immigration Advisory Service, a free national charity that gives expert legal advice? It has offices throughout the country, to which applicants could and should go to get the good, free and independent advice that is often missing.

Mr. O'Brien: The hon. Gentleman is right. The Immigration Advisory Service, the Refugee Legal Centre and other organisations have a great record in advising asylum applicants and people with immigration problems. Unfortunately, that record is not replicated among some unscrupulous advisers. In passing, I pay tribute to the hon. Gentleman's work in setting up the Immigration Advisory Service and to his record as its chairman.

Asylum Seekers

20. **Sir Teddy Taylor** (Rochford and Southend, East): How many persons are currently awaiting decisions on political asylum; and what was the total in each of the previous three years. [61110]

The Parliamentary Under-Secretary of State for the Home Department (Mr. Mike O'Brien): The number of asylum applications awaiting an initial decision at the end of October 1998 was 59,000. The corresponding figures at the end of December in 1995, 1996 and 1997 were 70,000, 57,000 and 52,000 respectively. There are also cases in the appeals backlog, although that is being reduced because we have employed more adjudicators.

Sir Teddy Taylor: This is obviously a serious and worsening problem which makes it more difficult for genuine cases to be dealt with. Is the Minister aware that, for some of the old hands in the Commons, it is depressing to hear Ministers trying to blame the problem on the previous Government? Would it not be infinitely better, when dealing with the real problems of real people, to try to find a way of resolving them by putting forward sensible proposals, instead of going in for party politics—particularly bearing in mind the nightmares that many genuine applicants suffer?

Mr. O'Brien: The previous Government had 18 years to try to sort out all these problems. They failed to do so. It is right that this Government should point out that we have inherited a shambles in the asylum system. Nevertheless, it is now our responsibility to sort it out. We propose to introduce legislation that will bring firmer, faster and fairer controls to our immigration system. Up to now, the system has not worked effectively. After we pass the legislation during this parliamentary Session, we will ensure that we have a system that works far better than that inherited from the Opposition.

Mr. Peter L. Pike (Burnley): I know that my hon. Friend is doing everything possible to try to eliminate the appalling backlog of cases that we inherited but—recognising the problems that the backlog causes to the individuals and, in many cases, to the families—can he give any indication of when he believes he will get rid of the terrible legacy of the last Tory Government?

Mr. O'Brien: We are proceeding to deal with the cases in the backlog. Many of them are being decided as quickly as possible. We are introducing new working methods during the period up to the end of January, which will help to make much more efficient the making of decisions in relation to the asylum backlog. We are also dealing with a number of cases that date back to 1993 and 1995, which we have inherited. We intend to proceed with dealing with those cases as quickly as we possibly can.

Firearms Compensation

21. **Mrs. Eleanor Laing** (Epping Forest): How many gun owners are waiting to receive compensation for handguns surrendered under the Firearms (Amendment) Act 1997. [61111]

The Minister of State, Home Office (Mr. Paul Boateng): Around 23,000 individual compensation claimants have yet to receive full payment of their claims. However, the great majority of those have received a part payment. Full or part payments totalling £62.6 million have been made to more than 50,300 claimants. Those figures were correct as at 20 November.

Mrs. Laing: I thank the Minister for that accurate and informative answer, but does he agree that 23,000 is a very large number of debts outstanding from the Government to individuals, many of whom live in my constituency? When Parliament decided that handguns should be given up, those people willingly gave up their handguns and, therefore, the recreational use of those guns, and they are now waiting for compensation so that

they can reconstitute the sporting clubs to which they belonged for some other purpose. They cannot do so without the money that is owed to them by the Government. Will the Minister undertake to pay those claims as soon as possible?

Mr. Boateng: I hope that the hon. Lady is equally concerned about the number of unlawfully held and adapted handguns in her constituency. She will realise the danger that they present. She will realise also the action that the Government have taken to speed up processing claims under the compensation scheme. My predecessor as Minister of State—now the Secretary of State for Wales—took action on the matter as long ago as last July. Only recently, I announced expansion of the scheme, to bring forward the completion date for the task as far as we possibly can. The task is a complex but important one. I am sure that the hon. Lady will wish unlawfully held and adapted handguns to be dealt with.

Social Services

3.31 pm

The Secretary of State for Health (Mr. Frank Dobson): A year ago, I announced our plans for a modern and dependable health service. In February, I announced our proposals to tackle health inequalities. Last month, I set out for the House our plans to ensure that children in care are looked after properly. Today, I am publishing our White Paper "Modernising Social Services", which spells out our proposals to create modern and dependable social services. The White Paper is another step along the road to providing people in every part of our country with high-quality health and social services whenever they need them.

We are determined to have social services that are convenient to use, respond quickly to emergencies and provide top-quality services to those who need them. We do not have such services at present. Despite the efforts of many very dedicated staff, many services are not provided sufficiently conveniently and promptly, or to a sufficiently high standard.

The services are important to all of us. At any one time, up to 1.5 million people in England rely on the help of social services. At some point in our lives, all of us are likely to need to turn to social services for support, whether on our own behalf, or for a family member, a neighbour or a friend. The need for help often arises at a time of personal or family crisis—such as the onset of mental illness, the birth of a disabled child, a family break-up, or a death that leaves someone without the carer on whom he or she had come to rely.

Social services are provided in many and various ways, ranging from meals on wheels for elderly people, to help at home for people suffering from mental or physical illness or removing children from danger. Help may be delivered at home, in a day centre or as residential or nursing home care. It may be provided by councils, voluntary bodies or commercial companies.

As individuals or as families, it is in our personal interest to ensure that good-quality services are available. However, the matter goes wider than that. Any decent society must provide for those who need support and are unable to look after themselves. Moreover, we all benefit if services are provided for those who need them, as we can all suffer if services break down for young offenders or people with mental health problems.

It is in everyone's interest to ensure that services are available, effective and efficient. However, that objective is not being met. Although there are many top-quality services, all too often, social services are failing to provide the support that people in need are entitled to expect.

People who work in social services have a hard job. They have to deal with some very difficult people, often in difficult—sometimes in dangerous—circumstances. They and their managers are often criticised. Some of that criticism may be justified, but often it is not. However, staff have suffered from a major difficulty. Until now, no Government have spelt out what local people can expect from social services or what the staff are expected to do. The lack of clarity has meant not only that, in daily matters, social services cannot easily be held to account, but often that, when something has gone badly wrong, they get all the blame even when others have been at fault.

The Government are determined to change that. We propose to lay down the standards of service that people can expect from social services in every part of the country. Needs vary from one part of the country to another, but the quality of services should not. The new standards should apply to services for young and old, for both sexes and for all ethnic groups, whether they live in the inner cities, the suburbs, country towns or rural areas.

We aim to ensure that people who need social services help are treated with dignity and provided with what they need in a way that promotes rather than diminishes their independence. We want social services to help people to live in their own homes, to do things for themselves and to hold down a job if they can.

We intend to improve the protection provided for vulnerable people by putting in place tough and effective new inspection systems, working to national standards. The new arrangements should make sure that anyone receiving social services help—young or old; living at home or in residential accommodation—is protected from neglect, abuse or exploitation.

Our aim is to raise standards across the board, so that social services everywhere provide top-quality care and attention and are efficiently organised to meet the needs of local people promptly and conveniently.

We will lay down new standards of performance and publish annual reports on what every council has achieved or not achieved. We will set up in each English region a commission for care standards to regulate care services, whether they are provided in people's own homes, through organisations such as fostering agencies or in residential homes. The commissions will cover all services, no matter who provides them. They will have tough new powers and the Secretary of State will have new powers to step in when things need to be put right.

As a further development in our commitment to improve the protection of children, the commission for care standards in each region will include a children's rights officer. Their job will be to inspect children's services to make sure that children are properly safeguarded, that allegations of harm or abuse are thoroughly investigated and that the views of children in care are properly taken into account. They will report directly to the chief inspector of social services any significant evidence that children are not being properly safeguarded. The new children's rights officers will help to make sure that we root out abuse and deliver a better deal for children.

The new arrangements will provide real safeguards for some of the most vulnerable people in our society. Some of what we propose will require changes in the law; some will not. We are taking steps to toughen up the existing system. Councils have been warned that they must not neglect their regulatory functions between now and when the commissions for care standards are set up.

Small children's homes are not currently inspected. We shall invite them to ask to be inspected in the meantime, so that they can start to raise standards, where necessary. I shall advise councils not to place children in homes that have not been inspected.

The standard of social services varies not just between one area and another, but often between two units in the same area. Some first-rate services are provided, but too many are not up to scratch. That has been exposed by recent reports by the social services inspectorate, and in

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particular by its joint reviews carried out with the Audit Commission. We propose to strengthen the role of the inspectorate and to put more resources into the joint reviews.

We also need to improve the standards of the social services work force. The present professional and training arrangements are not up to the task. We have decided to abolish the Central Council for Education and Training in Social Work. We will replace it with a General Social Care Council. Its job will be to ensure the proper regulation and training of all the social care work force, not just social workers. One of its first tasks will be to develop codes of conduct and practice for all staff, which it and the commissions for care standards will then enforce. It will be given the power and resources to do its job properly.

Many of the most needy people require help from several agencies, including the NHS and other providers of social care. Sometimes the various agencies put more effort into arguing with one another than into helping the vulnerable people whom they are there to serve. We are determined to put a stop to that and we will change the law to make it easier for them to work together for the benefit of local people.

In that and many other aspects of the White Paper, we are making clear that things which are not being done very well at the moment must be done properly in future. Doing things properly does not necessarily cost more than doing things badly. Sometimes it proves to be cheaper as well as better, but the Government recognise that extra funds will be required to implement the wide range of improvements that we have in mind. Over the next three years, as a result of the comprehensive spending review, nearly £3 billion extra will be found for social services—£1.3 billion of that in the form of a modernisation fund to lead the changes that are necessary.

I have already announced that £380 million is to be invested in improving children's services. Today, I can announce that we will provide £750 million to finance the change of emphasis in social services to promote the development of dignity and independence for social services users and carers. An additional £185 million will be invested in mental health services provided by social services and we will shortly announce a more than matching increase in NHS funding for mental health. The modernisation fund will also provide an extra £20 million for staff training.

The extra funding must be spent on the improvements that I have outlined and I am putting in place arrangements to ensure that. The money is for change and improvement. It is being provided on top of general increased funding for social services and additional special grants for drugs projects and work on HIV-AIDS. Taken together, we have provided nearly £3 billion extra for social services over the next three years.

Those and dozens of other proposals in the White Paper are designed to help make sure that local councils, the NHS, voluntary bodies and commercial providers work together to help people live independent and fulfilling lives, increase safeguards for vulnerable people and deliver top-quality services across the board. The proposals in the White Paper will give us modern and dependable social services to match the modern and dependable NHS that we are creating.

I am confident that our proposals will command the support of users and carers, the staff and everyone else of good will.

Mr. Philip Hammond (Runnymede and Weybridge): I thank the Secretary of State for his statement and for his courtesy in letting me see it in advance. However, I cannot help asking myself why the Government chose today. The White Paper has been trailed since the spring and we are told that it has been ready since the summer. It was extensively leaked in September and the right hon. Gentleman has already had one bite at the cherry in his statement last month on children in care. Now, what a coincidence it is that he has chosen to release his rather predictably entitled White Paper on the day of an important debate on the Government's constitutional proposals—a debate that the control freaks and spin doctors in Downing street would rather not have had and are desperately trying to curtail.

I shall be as brief as the importance of the subject will allow. The Utting and Burgner reports were commissioned by the previous Government. We welcome any effective measures to protect the vulnerable—young or old—from abuse. However, inspection is about more than preventing abuse; it is about ensuring quality and we welcome the level playing field that will be achieved by the establishment of an independent inspectorate for local authority and private and voluntary sector provision alike. Can the Secretary of State confirm that the same standards will be applied identically to both sectors? Can he further confirm whether the inspectors will have power to investigate value for money? Will they be able to close down facilities that offer poor quality at a high cost?

Some local authorities persist in offering direct provision of residential care, which can be 40, 50 or 60 per cent. more expensive than comparable private sector provision. What will he do about the obscenity of high-cost, low-quality care, which some local authorities provide on a captive basis while many of the people who are assessed as needing residential care have to wait on a list to fill dead men's shoes?

Will the Secretary of State assure the House that inspectors will have no power of entry to individuals' private homes? Even the Government who brought us the beef-on-the-bone ban must recognise that a compulsory power of entry to an individual's private home on the sole grounds that he needs domiciliary care is a step too far. An Englishman's home must remain his castle, even when he needs support from social services.

As performance standards will be set and monitored by the commissions for care standards, will the right hon. Gentleman explain how local authorities and councillors will in practice be held accountable, as he said in his response to the Utting report that they would? Will he confirm for the record that the £750 million that he announced today is part of the £3 billion that he announced at the time of the comprehensive spending review?

Does the right hon. Gentleman accept that, in many areas, private and voluntary sector providers are struggling to maintain quality, as local authority social service departments refuse to allow fee increases even at the rate of inflation? Will he require that private providers receive recognition for good practice, such as investing in increased staff qualification levels through premium payments?

In most cases, local authorities are not squeezing private providers because they want to. Does the right hon. Gentleman recognise that whatever he says today about raising standards will be meaningless if the revenue support grant settlement to be announced shortly further savages the budgets of many local authorities in the south-east, where residential care costs are high and rising sharply? Is he happy to see an increasing proportion of social services spending channelled under central control via health authorities, which further diminishes the responsibility of elected local government?

If the need for regulatory reform is so urgent, why has the White Paper been so delayed and why will there be no Bill in this Session? It is no good for the Government to tell us how important reform is; the Queen's Speech has just been delivered and we can judge the Government by their deeds, not by their words. Has not the Secretary of State been one of the losers in the great legislation lottery? The much-delayed White Paper is little more than his consolation prize.

Mr. Dobson: I thank the hon. Gentleman for welcoming our proposals to raise standards and to establish an independent inspectorate to secure those standards. The inspectorate's job will be to ensure that top-quality services are provided everywhere.

Cost-effectiveness will be dealt with as part of the general best-value approach that we will introduce to local government and for which we will be legislating in this Session, as was made clear in the Queen's Speech.

The inspectors will seek to ensure that services are of the same standard, whether they are provided—I thought that I had made this clear in my statement—by councils, the voluntary sector or the commercial sector.

The hon. Gentleman mentioned inspectors of people's homes. We have no such preposterous proposal—it is a manifestation of the fantasies that fill the minds of leading members of the Conservative party. Social services, including voluntary organisations, deliver services—for which the public pay—into people's homes. Some of those services are not up to scratch, so we shall ask people voluntarily to comment on the standard of the services that they are receiving. That is a very proper function for an inspectorate. Nobody will be given powers of entry, or anything daft like that. We want to make sure that where social services are provided to people in their own homes, those services are subject to inspection and checking. That has never happened in the past—something that has been seriously wrong with the system.

On the duties of local authorities and councils, the basic duty—to deliver top-quality services—will lie with the local authorities. That will be their job. We have issued advice to elected councillors on how they can better go about their job of making sure that proper quality services are delivered for children in care and children in need. There will be an inspectorate, but it will not be responsible for the delivery of top-quality services; it will be responsible for checking that others are delivering those services. Private providers should get on with their job of making the necessary provision to the highest possible standards, subject to the regulation that everybody will face.

On channelling money to social services through the NHS, I am glad that we did it. That was one of the reasons why social services and the NHS worked so well together last winter, and I hope that they will do the same again. Frankly, I cannot go to the Prime Minister and the Chancellor of the Exchequer and say that we need co-operation from social services and the NHS to look after people properly during the winter, and then not deliver that. If that has interfered with a few rights, but has meant that a lot of old people have been properly looked after, so be it.

A lot of the powers will be provided for in the best-value proposals, which will be in the Local Government Bill. Some matching powers and duties will be established in the national health service Bill. We are determined to get on with all the improvements as quickly as we can. As I say, I hope that people of good will will welcome them, instead of fantasising about people jackbooting into other people's homes.

Mrs. Llin Golding (Newcastle-under-Lyme): The Secretary of State's statement will go a long way towards helping the most vulnerable in society. I welcome the introduction of a children's officer. Needless to say, I think that that is a step towards a children's commissioner, for which many in this House have been waiting for a long time. May I ask that the officer be given facilities for publicity on television and radio? In the past, far too many people with knowledge of abuse have turned their backs and walked away from that knowledge. If there is publicity and an officer is appearing regularly on television and radio, people will have less excuse for saying, "We do not know who to talk to or go to."

Mr. Dobson: I very much welcome my hon. Friend's support, because she has played a prominent role for a long time in working to improve the standard of service provided for children, and in campaigning for a national children's commissioner. There are arguments for a national children's commissioner, and there are arguments for our proposal that it would be better done regionally. On balance, we have come down in favour of the regional option. Certainly, I want no one in future—either in social services or in the NHS—to have the excuse of saying, "Well, I knew things were going wrong, but there was no machinery to draw attention to the things that were going wrong." That is unacceptable—we will get rid of it.

Mr. Paul Burstow (Sutton and Cheam): I thank the Secretary of State for his statement. Liberal Democrats also want action to raise standards of care—wherever and whoever they are being provided by. We welcome the right hon. Gentleman's warm words today about the importance and value of social care workers, in whatever sector. People outside this House will welcome his comments.

The Secretary of State has talked a lot about Berlin walls between health and social care. Why, therefore, does the White Paper fail to put in place a single seamless inspection and regulation agency to cover all aspects of health and social care? Social services are increasingly in the business of rationing care through care charges. How can health and social care services provide a seamless service when the NHS is provided free and universally, but social services are charged for and rationed?

Will the Secretary of State confirm that, if we exclude the continuing commitment to fund community care over the coming years, the allocation from the comprehensive

[Mr. Paul Burstow]

spending review that he has announced today amounts to an increase of just 1.3 per cent. for social services? How does he expect social services to maintain existing care packages, let alone deliver his improvement agenda, when he has clearly failed to secure the resources needed if they are to do the job properly?

Will the Secretary of State also confirm that the modernisation fund that he has announced today will be allocated not on the basis of bidding, but on the basis of need? Where bidding comes into play, money tends to go to those who write the best statements and bids, and not necessarily to where it is most needed.

Mr. Dobson: I thank the hon. Gentleman for his general welcome for what we are doing. I am in favour of breaking down Berlin walls, but the idea that there can be one all-conquering inspectorate to consider everything from the standard of liver transplants to the delivery of meals on wheels is a bit preposterous. I am a great believer in horses for courses, even for inspectorates.

As for allocation of funds, there will be a 3 per cent. increase in real terms next year, and I expect increases on roughly the same lines in future years. The extra money for care in the community has been provided by way of a special transitional grant, and it has been in transition for a long time. The additional number of people in community care who need to be cared for is rapidly falling. The grant will be included in our proposed partnership and other new specific grants. Adequate funds will be available. Let me make it clear that there is no point in providing additional funds unless they will be properly and efficiently spent, and unless there is an inspectorate to make sure that that is happening.

I want allocations to be related to need and I do not envisage that much of the money should be subject to a bidding system. There will, of course, be terrible arguments about the extent of need in different places. No doubt, Sutton and Cheam will prove to be a very needful place in one of our future debates.

Mr. Hilton Dawson (Lancaster and Wyre): Does my right hon. Friend accept that no actions are more important to improving children's services than those of putting children's rights at the heart of the agenda and of installing the proposed commissioners? May I tell him that he is an absolute hero for doing that, as are his colleagues, the Minister of State, Home Office and the Under-Secretary of State for Health? Will my right hon. Friend assure me that the children's rights commissioners will use the United Nations convention on the rights of the child as their template for practice and action?

Can he tell me what attention his Department paid in preparing the White Paper to the promulgation of the three-year qualification for social work? Does he agree that we must aim to ensure that all staff working in social work and social care are appropriately qualified? Will he assure me that the White Paper, or some future document, will include enabling procedures for staff who want to blow the whistle on low standards in their employing organisations that go against the grain of their training and of the Government's worthy intentions?

Mr. Dobson: Again, I thank my hon. Friend for his welcome for our proposals and I know that it springs from deep knowledge and professional experience over the years. I am reluctant to accept the role of hero—[HON. MEMBERS: "Oh."] In all fairness, I must say that the vast bulk of the work in the preparation of the White Paper was done by my hon. Friend the Member for Brent, South (Mr. Boateng), before he was promoted to his new job in the Home Office. I am grateful to him for all the work that he did, and I am sure that the Under-Secretary of State for Health, my hon. Friend the Member for Barrow and Furness (Mr. Hutton), will follow him in the same spirit and with the same commitment.

I am concerned about qualifications for staff, especially social workers. Much social services provision is provided by people who are not social workers, and I want to ensure that they all have appropriate high-quality training, because that will help them to deliver appropriate high-quality services. On the subject of whistleblowing, there is now nothing to stop people blowing the whistle as long as they tell the truth.

Mrs. Angela Browning (Tiverton and Honiton): Will the Secretary of State expand on his statement with regard to improving the quality of care in people's homes, especially adults who live at home with their parents? I ask the question because, last week, I was with a young man in his 30s who lives with mum and dad. When dad went into hospital, the young man sought the help of social services for someone to come and help to move him, to use the toilet and to get in and out of bed. Social services insisted that a hoist be installed. His preference was for two or three people to come in and help to lift him, and he finally got that by identifying a company that could assist himself. When standards of care in the home are improved, will the individual have a say and be able to express preferences within provision packages?

Mr. Dobson: We intend to do exactly as the hon. Lady suggests. My statement and the documents emphasise our desire to ensure that all services are provided so that those receiving them do so with the maximum dignity and independence. If we are to achieve that, the people involved will have to have a substantial influence on the services provided and that is our intention. That could be an issue for the inspectorate, but the aim of our policy is to ensure that the local authority, or whoever is responsible, treats people with dignity and in a way that promotes their independence. That should be a natural part of the process so that we do not have to rely on the inspectorate to ensure that it is happening.

Mrs. Alice Mahon (Halifax): I also warmly welcome the proposals. My right hon. Friend will be aware of a continuing inquiry into a children's home in Halifax, in which two of the perpetrators of abuse have been arrested. The independent inspection teams could have made a huge difference to hundreds of children's lives had they been in place during the past 20 or 30 years. Will the children's rights officers actively encourage people to come forward and speak out, anonymously if necessary? If that had happened in Halifax, much unnecessary suffering could have been avoided.

Mr. Dobson: I thank my hon. Friend for her welcome for our proposals. If the children's rights officers are doing their jobs, they will accept any sound information

from any source. If anonymity is required, at least at an early stage, they should be prepared to accept that unless remarkable circumstances prevent them from doing so.

Sir Teddy Taylor (Rochford and Southend, East): Is the Secretary of State aware that Southend-on-Sea council, which has a Liberal Democrat and Labour majority of one, has just decided to close three of our six old folks' homes, because we cannot afford them? We have an appalling problem with bed blocking at our local hospital, because the council cannot take the old people in, and we also have a deficit of £2.5 million in our social services budget. As the Secretary of State said, the people want to know the truth. How will the extra £3 billion be given to local authorities? Will it be included in the local authority support grant that will be announced later this week? Will it be in the form of a special grant, or is it one of those mystical things that might appear in three years' time? Does the Secretary of State appreciate that we have a genuine crisis which is not caused by inefficiency or politics and we need to know how the extra money will get to Southend?

Mr. Dobson: The money will begin to be provided next year—

Sir Teddy Taylor: Next year?

Mr. Dobson: Yes, next year. We are rather a long way through the current financial year. Money will be provided to Southend and everywhere else next year in grants for specific purposes. Although many of the additional funds that I have announced today will be provided in specific grants, others will be provided through the standard spending assessment and the grant formula that will be announced through the revenue support grant system. I make no bones about the fact that if we are to raise standards in the way that we want to, much of the funding must be provided through specific grants, and that is that.

Mr. Jonathan Shaw (Chatham and Aylesford): I welcome my right hon. Friend's announcements. The proposals for children's rights officers and care commissioners will be given three cheers in the welfare and social work professions.

My right hon. Friend mentioned small children's homes. For far too long, residential social workers have not received the training that they need. As long ago as 1948, the Curtis report said that training was required for people who undertake some of the toughest work, caring for the most vulnerable and violent children. Apart from the specific funds that my right hon. Friend has referred to, what funds will be allocated to improving training for residential social workers?

Mr. Dobson: As I said, there will be an increase of £20 million for training social services staff in addition to the £120 million that is already being spent. Some of that funding is not spent particularly well and it will be helpful if we can redirect funds so that they are better used.

One of the problems in the staffing of residential homes is that for the past 20 years, there has been an emphasis on care in the community being superior to residential care. That is not a party political point; it has simply been the social services fashion, accepted by almost everyone with the exception of myself. That emphasis has resulted in a downgrading of the attention paid to residential care and the training of people who provide it, and residential care has become less attractive over the years. We want to reverse that process and pay more attention to residential care in future. It will, therefore, be one of the targets for our effort on improved training.

Mr. Andrew Rowe (Faversham and Mid-Kent): As someone who has been fighting for a general social services council for at least 15 years, I welcome that proposal. However, I have two points to make to the Secretary of State.

First, the aging group of frail people who went into residential care with protected rights are now vulnerable to being moved into cheaper homes, which would be extremely painful and disruptive for them. I would be grateful if the Secretary of State could tell me what he intends to do about those people.

Secondly, in the increased partnership between non-governmental organisations and social services departments, there is a serious danger that the local authority departments will try to make the NGOs like themselves in the way in which they deliver services. Having just come from the opening of a new facility in Kent for the National Society for the Prevention of Cruelty to Children, I am conscious of the enormous importance of well-run NGOs continuing to innovate and pioneer services in ways that may be regarded as risky by local authorities.

Mr. Dobson: I thank the hon. Gentleman for his welcome for our proposals for a general social care council. As I said in my statement, it commands the support of people of good will on all sides and no side. The real test of the treatment of aging and frail old people is whether the standard of care is maintained or—preferably—improved. That standard must be applied by whomever is responsible for their care.

I have always been acutely conscious of voluntary organisations' innovatory activities, and I want them to continue. Local authorities always face a dilemma because some novel ways of doing things might be an improvement, but some end up not working. Local authorities have an understandable desire at least to ensure that there is a very good chance that some new provision is more effective than the old one. Generally speaking, we want to encourage innovation, as long as it is not so maverick that it is predictable that it will go wrong.

Ms Helen Southworth (Warrington, South): I very much welcome the report. I came into the Chamber to harass the Secretary of State about state sector boarding schools. I am, therefore, extremely pleased that they are included in the new protection, along with residential family centres, independent fostering agencies and small children's homes. That is extremely welcome, not just in my constituency, but across the country. Will regional children's rights officers' telephone numbers be made available in those schools and establishments? Will children have access to private telephones?

Mr. Dobson: I thank my hon. Friend for not harassing me. If she has not done so for the good reason that I do not need to be harassed, that is all the more welcome.

[Mr. Dobson]

It was certainly right and proper to extend coverage to state sector boarding schools. We want to cover all aspects of the welfare of children, whoever provides it and wherever it is provided. That seems logical, and I am glad that she is in favour of it. We certainly expect regional rights officers to make themselves known through telephone helplines and all sorts of things. We are, of course, establishing national machinery to back that up. We are trying to provide private telephones. Indeed, many local authority homes, and some voluntary homes, already provide private access to a telephone, and we must extend that.

Mr. John Bercow (Buckingham): Further to the inquiry of my hon. Friend the Member for Rochford and Southend, East (Sir T. Taylor), will all funding for the new children's services grants be additional to existing Government expenditure? If the answer is yes, will the right hon. Gentleman confirm today what he failed to confirm in the House on 5 November: at no stage will local authority social services standard spending assessments be readjusted downwards to reflect the introduction of those grants?

Mr. Dobson: They will not.

Mr. Bill O'Brien (Normanton): I join others in congratulating my right hon. Friend on his statement and thanking him for it. Local authorities, such as my own Wakefield city council, suffered for far too long under the Conservatives' unfair distribution of resources, which resulted in a reduction in the provision of elderly and child care in my area. The Tories cut resources allocated for that purpose. Following the launch of the community care charter, will my right hon. Friend extend it in due course to fire protection in old peoples' homes? Three people in my constituency perished 12 months ago because the home was not registered under fire services regulations. We must also deal with the question of elderly people who are denied services because they cannot afford them.

My right hon. Friend's statement goes a long way to ensuring fairness across the board in the provision of community care. There is much to be done to arrest the problems caused by the Tories. Will he consult his Cabinet colleagues on aids and adaptions in the community and care through the health service? I hope that protection can be extended so that we have a super community care programme throughout the country and old people are protected.

Mr. Debson: I thank my hon. Friend for his welcome for what we propose. Apart from what might be described as the social care and welfare side of the provision of services for old people or young people, or people who are suffering from one form of disablement or another, we certainly need to ensure that we are getting the basics right and that buildings and complexes in which people live are safe and sound. We must ensure that that is done by bringing together all the Government and non-Government agencies in the area to ensure that the very best is being provided.

As I said when we introduced our response to the Utting report on safeguards for children in care, the test must be to ask ourselves, "Would this place be satisfactory for my aging parent or aging relative or relative suffering from disablement?" If the answer is no, people must set about improving things.

Mrs. Jacqui Lait (Beckenham): I thank the right hon. Gentleman for coming to Bromley this morning to turn the first earth for the new hospital. I also have two questions for him. Does he expect the inspectorate system currently run by councils to be transferred root and branch to the commissions for care standards, or will the two systems run in parallel? Will the commissions for care standards have membership from the independent sector and from the NHS?

Mr. Dobson: The hon. Member is virtually unique among Conservatives in welcoming additional spending on the health service. I suppose it is only reasonable that she should welcome my conducting the sod-cutting ceremony for the building of a £150 million new hospital in her constituency.

We do not intend the two systems to run in parallel. As the commissions for care standards come into operation, local authorities will lose their functions. However, we are making it clear that they must carry out those regulatory functions until the care standards commissions are in place. That is the vital aspect.

We are considering the subject of who will serve on the commissions. We certainly do not want them to be exclusively representative of one group or another. The idea is that there should be ministerial appointments to each of the regional boards, and that they will then employ the professional staff who do the work. It is crucial that the membership of those boards commands the respect of the public and of those providing the services, whether they be in the public, the voluntary or even the commercial sector.

Ms Ann Coffey (Stockport): I very much welcome my right hon. Friend's proposals to tighten regulation of children's homes. Specifically, I welcome the fact that small children's homes, which at the moment are unregulated, will be invited to offer themselves immediately for inspection. However, may I have his assurance that he will be very tough on those children's homes that decline to offer themselves for such inspection—and on local authorities that have placed children in those homes? As he will be aware, there is considerable concern, especially in the north-west, about standards in some of those homes.

Mr. Dobson: Children's homes with four or fewer children have not been inspected until now, but they will be inspected by law when we have introduced the new legislation. However, I am so concerned about the circumstances in some of those small homes—some are first rate, but others are not—that I am saying that I expect their owners to invite inspection by the existing local authority inspectors, so that they can start raising standards if they need to.

Another party to the process is the local authority or even voluntary organisation that is placing children in these homes. I shall shortly be saying to local authorities that they should not be placing children in such homes unless they have opened themselves for inspection.

Those homes that are doing a good job and providing a good service have nothing to fear from inspection. It is the ones that are not doing that that have something to fear.

Mr. Julian Brazier (Canterbury): May I welcome the proposals for proper outside inspection of children's homes, but ask the Secretary of State what powers the inspectors will have in respect of councils that are actively opposing children in care being adopted? Surely it is desperately sad that with more than 50,000 children in care, barely 1,900 were adopted from care last year, with some councils not allowing one such child to be adopted. What powers will the inspectors have in this area?

Mr. Dobson: We have already issued new guidelines on adoption with a view to trying to promote adoption and encouraging it. In fairness to those who are responsible, there are quite substantial ethical and practical problems about vetting potential adoptive parents. On one hand, we cannot blame the vetting organisation if something goes wrong and, on the other, say that it should not be taking as much time and care as at present. We want to make changes and we want to promote adoption, but it must be safe adoption. It should not lie with any local authority or anyone else to be handing over children to people unless they are absolutely certain that those children will be properly looked after.

Several hon. Members *rose—*

Madam Speaker: Thank you. We shall be returning to this issue on numerous occasions. I intend to move on now.

Speaker's Statement

4.18 pm

Madam Speaker: I am now able to reply to the point raised with me on Thursday last by the right hon. Member for Chesterfield (Mr. Benn), who asserted that the contents of the Gracious Speech were available in advance to some Members outside the Government and not to others. He sought my advice on whether what he called a private coalition across the Floor, which allowed some of those party to it to continue to enjoy the full rights of Opposition, had been established.

On the first point, it seems to me that, until it has been delivered, the text of the Gracious Speech is not a document of which the House has cognisance. How far it may be made available at that stage and on what basis is not therefore a matter for me. It is a matter for the Government.

As for the second issue, my responsibility is to guide the House in enforcing its Standing Orders. I know nothing of private coalitions. I can only draw the attention of the right hon. Member for Chesterfield to Standing Order No. 14(3), which, for the purposes of allotting Opposition Days, defines an Opposition party as one

"not represented in Her Majesty's Government".

In this connection, I draw the right hon. Gentleman's attention also to the fact that, on the Order Paper, there is an amendment to the Address standing in the name of the leader of the Liberal Democratic party.

Mr. Tony Benn (Chesterfield): Thank you, Madam Speaker, for your statement. I ask you to keep an eye on this issue. You will recall that, when the so-called Lib-Lab pact was arrived at in 1977, the then Prime Minister made a statement, there was a debate that day and a vote. What I believe is the creeping coalition has never been put to the electorate. It has never been put to the House, never debated and never voted upon. However the Standing Orders may have been drafted, what I believe to be the creeping coalition has subtly changed relationships in the Chamber. I ask you, Madam Speaker, to keep an eye on this and perhaps to insist that Ministers make statements to Parliament on matters that concern the House itself.

Madam Speaker: I have not been a Member of Parliament for as long as the right hon. Gentleman, but I remember the occasion to which he refers. I assure him that I am interested, and that I shall keep my eyes and my ears open in respect of such matters.

Points of Order

4.25 pm

Mr. Edward Leigh (Gainsborough): On a point of order, Madam Speaker. May I seek your guidance as to the exact parameters of your ruling, given at column 208 of the *Official Report* on 25 November, on matters relating to debate on the arrest of General Pinochet? For greater accuracy, I have obtained a copy of *Hansard* and I shall read it to you.

Madam Speaker: I should like a copy of the *Hansard*, too.

Mr. Leigh: Shall I pass it to you?

Madam Speaker: On a detailed point of order such as this, it would have been nice to have had a little notice, so that I might give a correct reply.

Mr. Leigh: I apologise, Madam Speaker. At column 208, you said:

"The courts may have to decide whether the evidence against the senator is sufficient to warrant his trial in Spain. The matter of the charges against him therefore remains sub judice."—[*Official Report*, 25 November 1998; Vol. 321, c. 208.]

That followed a comment made by my right hon. Friend the Member for Sutton Coldfield (Sir N. Fowler), who quoted Lord Nicholls's judgment, that:

"The sole question before your Lordships is whether, by reason of his status as a former head of state, Senator Pinochet is immune".

My reason for quoting that exchange is that I attended the debate on Friday 27 November—again, I have to quote *Hansard*—where Mr. Deputy Speaker made a further ruling on your ruling, saying:

"No one has so far infringed the sub judice rules, but we are getting close. My clear ruling is that we may talk about relations between this country and Chile, as has been done, and we may talk about the possible effect on those relations of the decision whether Pinochet should be extradited. However, we cannot talk about any criminal charges".—[*Official Report*, 27 November 1998; Vol. 321, c. 454.]

We had quite a wide-ranging debate that morning, in which Pinochet figured several times. Indeed, during that debate I was allowed, at column 496—

Madam Speaker: Order. The hon. Gentleman is now becoming rather tedious. Will he come to his point of order?

Mr. Leigh: My point of order is that, on Friday, we debated what General Pinochet had or had not done in Chile and what he was alleged to have done, but there remains some confusion as to exactly when we became out of order. There have been thousands of column inches in the press expressing views on the issue. Page 384 of "Erskine May"—

Madam Speaker: Order. I must ask the hon. Gentleman to come to his point of order.

Mr. Leigh: Page 384 of "Erskine May" states:

"Successive Speakers have exercised their discretion to allow matters to be discussed, on which (although they fall within the strict terms of the *sub judice* rule) they have considered that no substantial risk of prejudicing proceedings would arise."

My point of order is this: because there have been thousands of column inches of debate in the national press, it seems rather restrictive that Members of Parliament, apparently alone in the nation, are not allowed to discuss the issue. As we move into an era where, under the Human Rights Act 1998, judges—especially the Law Lords—will be required to make more judgments on intensely political issues, will you consider using your discretion as Speaker to widen the sub judice rule so that we can have a proper debate in the House?

Madam Speaker: I appreciate—

Several hon. Members *rose*—

Madam Speaker: Order. I think that I can answer the point of order. I do not want to have to go through any more tedious columns.

I have considered the matter carefully, and not only when I made my first statement. I am as concerned as any other Member of Parliament about the House's ability to debate the matter. I watch proceedings daily, I seek advice and listen to it, and I make my own decisions on the sub judice rule in accordance with what is in "Erskine May" and the practices of the House. I am convinced that the right time to lift the sub judice rule will not be until all legal proceedings are finished and the Home Secretary has been able to come to a conclusion on the matter. When that has happened, I am certain that the Home Secretary, in conjunction with the Law Officers, will come to the House and report properly; the House can debate the matter at that time.

I think that proceedings on Friday went according to plan. Had they not done so, whichever of the Deputy Speakers was in the Chair would have brought the House's attention to the infringement of the sub judice rule.

Mr. John Wilkinson (Ruislip–Northwood): On a point of order, Madam Speaker. May I seek your further guidance?

Madam Speaker: I have no further guidance to offer.

Mr. Wilkinson: My point of order is this: Her Majesty's Ministers—for example, the Minister of Agriculture, Fisheries and Food—have vouchsafed various comments about Senator Pinochet. That, I presume, is perfectly all right, and Members of this House can broadcast and write articles on the subject, although we cannot debate it. Is that the position?

Madam Speaker: That is the position. In this House, we do not have the luxury that the press and media have to debate and discuss this matter as we wish. We have rules, Standing Orders and procedures, which we follow. I, as Speaker of this House, must uphold those Standing Orders and those procedures, and I shall continue to do so.

Mr. Geoffrey Clifton-Brown (Cotswold): On a point of order, Madam Speaker. I seek your advice about the fact that Sir Gordon Downey is retiring today. My point of order in no way impinges on the way in which he has carried out his duties—it raises another point. His successor, Mrs. Elizabeth Filkin, is not to be appointed

until 2 February next year—a full three months away. You have kindly referred me to House of Commons Commission report No. 1143, which clearly sets out the duties of the commissioner and deals with the appointment of his successor, but does not say what is to happen in the interim.

I should be grateful if either you, Madam Speaker, or the Chairman of the Standards and Privileges Committee could give the House an assurance that serious matters that may be referred to the commissioner in the interim—I am writing to him today on one such matter—will be seriously investigated, and that someone on the office staff will be available, and accountable to the Committee, in the interim.

Madam Speaker: I can assure the hon. Gentleman that a very senior staff member is responsible for those issues in the interim. The House of Commons Commission considered this matter most thoroughly when an appointment was made. As well as referring the hon. Gentleman to the House of Commons Commission report, perhaps I might refer him to the debate in this House on that precise issue that took place about two weeks ago. I do not have my diary with me, but the debate could not have been more than two weeks ago. I assure him, and every hon. Member here, that this issue will be taken care of in the interim.

BILL PRESENTED

Local Government Bill

Mr. Secretary Prescott, supported by the Prime Minister, Mr. Secretary Michael, Mr. Stephen Byers, Ms Hilary Armstrong, Mr. Nick Raynsford and Mr. Jon Owen Jones presented a Bill to make provision imposing on local and certain other authorities requirements relating to economy, efficiency and effectiveness; and to make provision for the regulation of council tax and precepts: And the same was read the First time; and ordered to be read a Second time tomorrow and to be printed [Bill 5].

Orders of the Day

Debate on the Address

[Fifth Day]

Order read for resuming adjourned debate on Question [24 November],

That an humble Address be presented to Her Majesty, as follows:—

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.—*[Mr. Ashton.]*

Question again proposed.

Constitution and Parliament

Madam Speaker: We now come to the main business, and I have had to limit speeches between the hours of 7 and 9 o'clock to 15 minutes. I have selected the amendment in the name of the Leader of the Opposition.

4.33 pm

Sir Norman Fowler (Sutton Coldfield): I beg to move, as an amendment to the Address, at the end of the Question to add:

'But humbly regret that the Gracious Speech makes no mention of the Government's determination to remove the right of electors to vote for the candidate of their choice in European Parliamentary Elections; deplore both the Government's plans to turn the House of Lords into an enormous quango and also its intention to legislate prior to the conclusions of its own Royal Commission; and further urge the Government to accept the recommendations of the Neill Committee to introduce new rules for the fair conduct of referendums.'.

In all conscience, many subjects in the Queen's Speech can be debated under the Home Office heading. On law and order, the Government say that they intend to be tough on crime, but they do not explain how that is to be achieved when the policy that they are set upon is to reduce the strength of police forces throughout the country. The inevitable consequence of their financial settlement is fewer police on the beat, although that was the last thing that they promised at the general election.

On political asylum, the Government say that they will improve the appeal process, but they have done nothing to discourage the influx of bogus refugees in the first place. Rather than numbers reducing, this year they have increased. I say this to the Government: I do not believe that it is a solution to say that the backlog has been reduced by giving permission to stay to thousands of people who are evading the proper immigration procedures. We will want to debate those issues further, including the issue raised today in the *Daily Mail* of crimes which have been committed by bogus asylum seekers and illegal immigrants.

In the same way—obviously, Madam Speaker, I take note of your ruling of a few seconds ago—we shall want to debate the case of General Pinochet. Even the most fervent Government supporter cannot claim the handling of that case by the Government to be a triumph. He was given a VIP reception by the Foreign Office; he was backed by the Ministry of Defence; he was arrested with the knowledge of the Home Office; and then he was publicly lobbied against by the Secretary of State for Trade and Industry—quite contrary to the rules of justice in a case where the Home Secretary is meant to be acting in a quasi judicial capacity. It is quite wrong that a fellow Cabinet Minister should have acted in that way. I hope that the Home Secretary will note that.

Madam Speaker: Order. I remind the right hon. Gentleman that it was announced on Thursday that, with the agreement of both Whips, today's debate would be on the constitution and Parliament. "Erskine May" makes it clear that, once an amendment has been moved, the scope of debate is restricted by the normal rules of debate, which are that a Member must direct his speech to the question under discussion or to the amendment. The right hon. Gentleman has moved the amendment, so may I suggest that he concentrates his remarks on that amendment?

Sir Norman Fowler: Certainly, Madam Speaker. That is what I was about to do.

Those three issues show how things have changed for the Home Secretary in the past 12 months. Each issue has gone wrong, and for each issue the Home Secretary has direct responsibility. We still have the slogans—no one would accuse the Government of being short on slogans. Our concern is not about a lack of words, but about a lack of performance.

The Government's proudest boast is about their flagship. They may have put their radical plans on transport into the long-term car park, and they may have buried their radical intent on welfare reform together with two reforming Ministers, but on constitutional change their plans are still shining bright.

What are those plans? For European elections, they intend to introduce a system whereby power is taken from the people and given to the party.

Mr. A. J. Beith (Berwick-upon-Tweed): Will the right hon. Gentleman give way?

Sir Norman Fowler: I shall give way in a moment.

On reform of the House of Lords, they intend to introduce an assembly of appointees and placemen: a giant, ermine-clad quango. On referendums, they simply dither about the way forward.

Mr. Beith *rose—*

Sir Norman Fowler: I shall come back to that point.

The country faces the prospect of referendums on proportional representation and on the single currency. By any standards, those issues go to the heart of our democracy. It is vital that the rules under which referendums are conducted are fair to both sides. It would be a travesty if the Government, and the Government alone, were to control the publicity, and were the only recipients of public money for such a campaign.

As the Neill committee makes clear, no Government can be truly objective in providing information for a referendum if they support one side of the argument. I am glad to see the Secretary of State for Wales, because we remember when he was the Minister of State, Home Office. We congratulate him on his elevation. There has been widespread criticism that the literature distributed to every household in Wales set out only the Government's case. The Neill Committee said:

"We were disturbed in particular by the evidence we heard in Cardiff to the effect that the referendum campaign in Wales in 1997 was very one-sided."

It added that

"a fairer campaign might have resulted in a different outcome."

The Secretary of State for Wales (Mr. Alun Michael) *indicated dissent.*

Sir Norman Fowler: The Secretary of State for Wales shakes his head, but those are not my words: they are the words of the independent Neill Committee.

We expect the Home Secretary to give a clearer statement on policy than he gave in the debate on the Neill Committee's report. In particular, he should recognise that both sides of the argument should be

given a proper voice during a referendum campaign. We also hope that the Home Secretary will take this opportunity to announce a way forward in the debate on the voting system for the European elections.

One of the refreshing things about the European elections debate was that, in spite of the number of times that we debated the issue, there were always new facts to illuminate the picture. The new fact this time will be last Thursday's European by-election in Scotland, and we all know the result of that. Despite having flooded the area with senior Ministers—and despite the Prime Minister's having lectured Scotland on its duty to the Prime Minister—Labour was pushed into third place.

Why was that? I do not want to rub salt into the wound—[*Laughter.*] Certainly I do not. I am a generous and kind man. Let me put the point as kindly as it can be put: one factor was that the electorate did not quite take to the candidate, Mrs. Walker-Shaw. In particular, they were understandably concerned about her claims to have been born in Scotland. At one stage, she told a reporter that she had been born in Aberdeen; but, unhappily for her, a Sunday newspaper found a copy of her birth certificate, which recorded that she had been born in Staffordshire. Mrs. Walker-Shaw then issued a statement regretting that she

"went over the top in my answers to repeated questioning by a reporter".

She said that what she really meant was that she had been conceived in Aberdeen.

Not surprisingly, the North-East Scotland constituency was by now becoming just a little sceptical about the position. Most commentators agree that the performance of the candidate had a direct bearing on the vote. Incidentally, help may be at hand for her: she is high on Labour's list of candidates for the European elections in June, and it will not be necessary for her to go into the complications of her birth certificate for that purpose.

The example that I have given demolishes the case made by the Home Secretary in debate after debate. He has argued that the candidate does not matter, that people vote only for parties and that, if a donkey were put up for election in Blackburn, the electorate would still vote Labour. Those claims have been proved to be nonsense. The fact is that Labour did not expect to come third. It did not plan to come third. It said—it span—that it was neck and neck with the Scottish National party. One of the reasons why it did come third was the electorate's view of the candidate.

Not even that is an end to the matter, however. My example illustrates another defect in the system of voting that the Government are introducing. Under the Home Secretary's system, by-elections themselves are on the way out, so if an MEP dies or, say, a Labour MEP becomes disillusioned with his party and resigns, that will normally not be followed by a by-election: the public will simply get the next candidate on the party list. The Minister for Arts, who was then a Minister in the Home Office—I am glad to see that he is present, ably defending the Home Secretary as always—explained the reasoning thus, during the Committee stage of the European Parliamentary Elections Bill:

"There is a difference between the utility of by-elections for this Parliament and their utility for the European Parliament. The purpose of the regional list system is to provide an element of proportionality . . . A by-election would disturb the element of proportionality that the regional list system brings to the result of the election."—[*Official Report*, 5 March 1998; Vol. 307, c. 1247.]

To those who say that no serious issue is at stake in the reintroduction of the European parliamentary legislation on Wednesday under a guillotine, I say, "Look at what is proposed." What is proposed is this: no opportunity for the public to vote for named candidates, party-only ballots, no administrative inconveniences such as by-elections and, of course, no constituencies.

Mr. Beith: Eighty per cent. of the electorate decided that a European by-election was not a particularly useful thing in the north-east of Scotland, and therefore did not vote. Could that be because the present system, to which the right hon. Gentleman wishes us to return—and to which we shall return, if he succeeds in blocking the Bill—provides no opportunity for any elector to vote for a different candidate from the party of his choice? How can a right be taken away from people who do not have it under the present system?

Sir Norman Fowler: I thought that the Liberals were in favour of the open list. They have been arguing for it over the past month. Now they are arguing in favour of the closed list. Before a Liberal spokesman contributes to the debate—I do not know which of the terrible three on their Front Bench will do so on this occasion—the Liberals should decide what their policy actually is. We know about the dark rooms, and the tablets, and all that; could someone now define exactly what the Liberal party is up to?

Mr. Julian Brazier (Canterbury): Surely that is too much to expect from the Liberals.

Sir Norman Fowler: True.

Mr. Kevin Barron (Rother Valley): The right hon. Gentleman has argued that people vote for individuals rather than parties. Does he agree that the Leader of the Opposition sits in the House because he deserted South Yorkshire? Not enough people there vote for the Conservative party, so he had to go to North Yorkshire, where people do vote for it.

Sir Norman Fowler: There are a good many embarrassed faces among the hon. Gentleman's colleagues. A good many people have been dodging around the country over the years. I note that the Home Secretary is keeping quiet.

Instead of the constitutional reform that the Government promised, they are giving us constitutional reform that involves regional lists of candidates drawn up by party bosses. The effect will be that the elected MEP answers not to the public, but to the party. That is the basic defect of the system. *[Interruption.]* I would be delighted if a Labour Member were to make a speech in favour of closed lists. *[Interruption.]* In that case, it will be almost a maiden speech.

Finding Labour Members to defend the closed list has been a difficult task, as has been evident to anyone who has attended our debates regularly. However, when I made the point in a letter to *The Times* last week, a Labour Back Bencher—the hon. Member for Broxtowe (Dr. Palmer)—came out of the woodwork.

[Sir Norman Fowler]

He made a rather odd claim about the position, and about individual lists; but what was most intriguing about his letter was his claim that he wrote as a Back Bencher

"who was not able to speak in the debate".

"Not able to speak in the debate"? We have debated the issue four times. Was the hon. Gentleman bowled over in the rush to defend the Government? Was competition among those who wished to speak up for the closed list so fierce that Labour Members had to climb over each other to get at the Opposition? That is not my recollection. It did not look like that from the Opposition Benches—or, I suspect, from the Government Benches.

The hon. Member for Battersea (Mr. Linton)—who has obviously been allowed time off for good conduct—was prevailed on to speak twice. He made interesting speeches—we journalists must stick together—and his case on the closed list was only slightly dented by his admission that he actually supported the open list. Another Labour Member who spoke was later heard to say, "I did it yesterday; they can get someone else to do it today."

The fact is—as everyone knows—that Labour Member after Labour Member has attacked the closed list. The right hon. Member for Chesterfield (Mr. Benn); the hon. Member for Great Grimsby (Mr. Mitchell); the hon. Member for Crewe and Nantwich (Mrs. Dunwoody); and the hon. Member for Walsall, North (Mr. Winnick) have all attacked it. Perhaps above all, the hon. Member for Wrexham (Dr. Marek) has attacked it. He has said:

"The closed list system allows fixers to get their way, which is the real reason why I oppose it."—[*Official Report*, 10 November 1998; Vol. 319, c. 229.]

The only Members of Parliament who appear to have any enthusiasm for the closed list are the Liberal Democrats, who, until a few weeks ago, were strenuously arguing for the open list. That will come as no surprise to any hon. Member on either side of the House who has watched them in action over the years.

Mr. John Bercow (Buckingham): My right hon. Friend is right to remind us that, in any battle between principle and expediency, among the Liberals expediency always gains the upper hand without much delay. Does he not think, however, that the reason for the Liberals' tergiversation in recent weeks is simply that, when they supported the open list, they believed themselves to be nominally part of the Opposition? They are now supporting the closed list in recognition of the fact that they are snivelling and sneaking up to the Government these days.

Sir Norman Fowler: I am a generous man. I would not dream of putting it in such emotive terms, but the point that my hon. Friend makes is that the Liberal Democrats are deeply schizophrenic. That is one of their characteristics.

Ms Oona King (Bethnal Green and Bow): Will the right hon. Gentleman give way?

Sir Norman Fowler: I do not think that I will give way again. Let me go on.

Whatever we disagree on, let us not have any of the nonsense that the closed list was a manifesto pledge of the Labour party. The Home Secretary implied that the public should have known that the closed list was what the Labour party intended all along. That case was destroyed by the right hon. Member for Chesterfield (Mr. Benn), who said that he had absolutely no idea that it was a manifesto pledge, and for good reason. It was not a manifesto pledge; it cannot have been. If the closed list were a manifesto pledge, why did the Home Secretary announce on Second Reading that he was considering a different system? It was the Home Secretary who set the hares running on the issue and he cannot now row back from that.

This is an important constitutional proposal. It is precisely the sort of constitutional proposal that any self-respecting second chamber should challenge. The suspicion is developing that it is not only that the Government want the hereditary peers out; they also do not want an effective second chamber.

Mr. Eric Martlew (Carlisle): Will the right hon. Gentleman give way?

Sir Norman Fowler: I will not, if the hon. Gentleman does not mind.

I agree again with what the right hon. Member for Chesterfield said on that point. As a replacement for the House of Lords, the Government are offering us another form of closed list: a closed list of appointees and placemen. That is the only proposal in front of the House. If some people have their way, that is exactly how it will remain.

That point was put well by Steve Richards, political correspondent of the *New Statesman*, not exactly a Conservative central office publication.

The Secretary of State for the Home Department (Mr. Jack Straw): How does the right hon. Gentleman know?

Sir Norman Fowler: If the Home Secretary wishes to challenge that proposition, I invite him to the Dispatch Box.

Steve Richards said:

"In the House of Lords some of our peers are having a ball. They sense they have won the argument. They know they are privileged and want to hold on to those privileges for as long as possible . . . I am not referring to the hereditary peers . . . no the peers who are looking very pleased with themselves are those who have been appointed by Tony Blair over the last eighteen months . . . the appointed peers are perfectly happy about the short term battle to abolish the hereditaries, but I do not detect any great demand among them for further reforms which would threaten their own positions."

That is the point. The Government are proposing an appointed quango; there is no doubt about that. No one knows where they will go next—there is no doubt about that because they have no idea where they will go next—but one thing is certain. They will come under no pressure from their appointees and their placemen, who are very content with their lot.

According to *The Guardian* on Saturday, the Government now intend to go further down the appointed road: they have an emergency plan to create 50 new Labour and Liberal Democrat life peers in one day in

January. Therefore, we now face the prospect of an influx of Labour life peers, which will make Lloyd George's efforts look like a modest sideshow.

Therefore, life has never been more full of hope for would-be life peers. Last time round, the Home Secretary had his special adviser appointed a life peer. I warn those sitting in the civil service box that, this time, it might be their turn. We face the prospect of the Government scouring the highways and byways for candidates for the House of Lords. Indeed, perhaps we now know what the former Secretary of State for Wales was really up to on Clapham common: he was on a recruiting drive.

What is utterly absurd about the Government's position is that the legislation is being introduced before the White Paper and before the royal commission. That is the scandal. It is a nonsensical proposition. The sensible way—the only way of making progress—is for the Government to set out their proposals for reform and then to legislate.

Maria Eagle (Liverpool, Garston): Will the right hon. Gentleman give way?

Sir Norman Fowler: I will not, if the hon. Lady does not mind.

However, that puts the Government into a deep difficulty. They have no idea of what comes next. The Government do not know, the Home Secretary does not know and the Prime Minister certainly does not know.

Evidence of that comes from an interview that was given by Lord Richard, who until the reshuffle was the Government's leader in the House Lords. Asked what the Prime Minister's vision of the future was, Lord Richard replied:

"I have no idea what the Prime Minister's views are. I have not talked to him about it. I don't think his mind has been engaged on this in any concentrated way".

Therefore, for the first year of the Government's period of office, the Prime Minister did not speak to the Leader of the House of Lords about his flagship proposal to change the House of Lords. Indeed, Lord Richard questions whether there will be a second stage at all.

More guidance is given by the Minister for the Cabinet Office, the enforcer-in-chief, in a remarkably detailed speech that he gave, evidently, in his constituency. Reviewing second chambers in other countries, he said:

"In some members are directly elected. In others elections are indirect. Some are appointed on the basis of their talent and ability."

As far as I know, among western democracies, there is just one parliamentary chamber that is wholly appointed: the Canadian Senate. We are fortunate to have an up-to-date survey of the appointed upper house in Canada, which was carried out by the constitution unit. According to Meg Russell's report:

"The appointed nature of the Canadian senate coupled with the use of political patronage in appointments means that it has little respect amongst Canadians. Its work is largely ignored and even ridiculed by the media and political commentators."

So there we have it. That is the precedent for the Government's second chamber.

Mr. Straw: I wonder whether the right hon. Gentleman could explain how the hereditary peers got there.

Sir Norman Fowler: The point that I am making is this: if the Home Secretary wants to put forward a case for reform, let him put forward a case for reform, but the fact is that he has not. He is giving us his special adviser, appointed to the House of Lords. *[Interruption.]* It is no use Ministers trying to shout in support of the Home Secretary. Everyone knows that that is the case. That is the precedent for the Government's second chamber. Again, it leads to the conclusion that here are a Government who do not want to be checked by any sort of independent second chamber.

The Government have had to be pushed into even giving the appearance of going beyond an appointed chamber. We Conservative Members set up our own inquiry. We have set out the principles on which that inquiry will operate. The Government are now to set up a royal commission. Why have the Government done that? The answer was given by the Minister for the Cabinet Office:

"If we hadn't have promised a Royal Commission the Tories would have tried to attack us for not consulting people".

That does not sound like a Government who are committed to sensible reform. Not only have the Government been forced into a royal commission; they have also introduced legislation before that royal commission has had the opportunity even to take any evidence. That cannot make sense as a way of approaching the constitution.

What we know for certain is that we are being offered not an independent second chamber, but a chamber that depends on appointment and Government patronage. I do not believe that the British people will have any time for such a body. I do not believe even that many Labour Members will have time for such a body. It is a constitutional disaster and it should be rejected.

4.59 pm

The Secretary of State for the Home Department (Mr. Jack Straw): I am delighted to respond to this debate on the Government's programme on the constitution and Parliament. I am sure that any hereditary peers who listened to the speech by the right hon. Member for Sutton Coldfield (Sir N. Fowler) will realise the strength of my advice that they should throw in the towel.

Before I deal with the detail of today's debate, I should make a brief but wider observation. As Madam Speaker said, it is for the official Opposition to choose the subjects for the debate on the Loyal Address. I was intrigued by the fact that the Opposition did not want to debate home affairs issues that go wider than the subjects of this debate—as has been the usual practice of both Conservative and Labour Oppositions—but, having heard today's Question Time, I know why they wanted to avoid it. Today, we discovered the hollow words of the Opposition on, for example, police spending, which will rise in real terms. We know that the shadow Chancellor has said that that spending is reckless; therefore, the official Opposition are committed to it being reduced.

I am not at all surprised that the Opposition did not want to discuss asylum and immigration. We are putting right—

Mr. Deputy Speaker (Mr. Michael Lord): Order. As the right hon. Member for Sutton Coldfield (Mr. Fowler) alluded briefly to those matters before Madam Speaker made her ruling, I am prepared to allow

[Mr. Michael Lord]

the Secretary of State also briefly to mention them. However, I would be grateful if he would return very quickly thereafter to the subject of today's debate.

Mr. Straw: My final point is that I am not surprised that the Conservatives did not wish to debate asylum and immigration. Through our immigration and asylum Bill, we want to put right the shambles that we inherited.

I shall now come directly to the subject of today's debate—the constitution and Parliament. Implementation of any constitutional programme has to be detailed and thorough—although sometimes the provisions must also be complex. Our vision is a simple one: to strengthen the nature of British citizenship, to give the British people a chance to exercise more control over their own lives, and, simultaneously, to show greater responsibility to their fellow citizens and to the wider community.

Why do we need such change? First, we need it because since the war Britain has become too centralised in its government. That process—as I conceded in a lecture that I gave last Thursday—occurred under Governments formed by both parties. However, the process accelerated under the previous Administration, to a point at which public confidence in the very processes of government reached an unacceptably low ebb.

Secondly, we need change because—as a paradoxical consequence of our otherwise enviable history in securing constitutional change peacefully and incrementally—we in Britain have a less explicit understanding of our rights and responsibilities than do citizens of other countries with more turbulent domestic histories than our own.

Thirdly, we need our constitutional change programme because it is an integral part of the Government's overall programme to improve our society and to increase the opportunities for individuals and for families within it. Full citizenship requires both freedom from and freedom to—freedom from fear, from crime, from ignorance and from disease; and freedom to exercise positive rights and duties.

Our vision of strengthened citizenship lies behind all that we are doing—on human rights, on freedom of information, on higher standards of public life, and on transfer of power to Scotland, Wales and Northern Ireland and to London. Yes, it lies also behind the long overdue reform to end the greatest offence to the very idea of democracy in the 20th century—the right of hereditary peers to sit and vote in the House of Lords.

Mr. Dominic Grieve (Beaconsfield): I have been listening carefully to the right hon. Gentleman's speech. When he started it, he said that the hallmark of the Government's proposals was that they were detailed and thorough. Could he explain what is detailed and thorough about reforming the House of Lords by getting rid of hereditary peers without putting anything on the table about ultimate reform of the other place?

Mr. Straw: If the hon. Gentleman will bear with me, I shall deal with that point, and then happily give way to him again.

Of all the changes that we are making, the one that will probably have the greatest long-term significance is the Human Rights Act 1998, which received Royal Assent last month. The Act will help to develop in the United Kingdom a human rights culture and a society in which the rights and responsibilities of individuals are properly balanced. We have already implemented one important provision of the new Act, section 19, which requires the Minister in charge of a Bill to make a written statement about the compatibility of its provisions with convention rights.

We shall bring into force the Act's main provisions as soon as we reasonably can. A major programme for training courts and tribunals is being developed, and we are having public authorities review their procedures on compliance with convention rights. Implementation involves a great deal of work and I shall make an announcement on a timetable for full implementation as soon as I am able to do so. Meanwhile, I have established a task force, chaired by my noble Friend Lord Williams of Mostyn, including representatives of non-governmental organisations and key Government interests who will help to keep up the momentum of implementation.

The Government's programme of constitutional reform aims to involve people more closely in decisions that affect their lives, not only by changing institutional structures but by modernising the way in which our institutions work. The result will be greater openness, greater accountability and greater contact with individuals and organisations outside Government.

A key element of the new relationship between Government and governed will be a freedom of information Act. When we publish a draft freedom of information Bill, early next year, I look forward to a thorough and informed debate on its proposals.

Mr. Richard Shepherd (Aldridge–Brownhills): Will the Home Secretary be more specific on what he means by early next year? Is it by the end of January, for example?

Mr. Straw: I wish that I could be more specific. I hope—I say "hope" because of the complexity of the Bill's provisions and the need for parliamentary draftsman to have sufficient time—that it will be by the end of February, which would be sufficient time. I realise that the hon. Gentleman takes a great interest in the matter. Once the Bill is published, it will, among other things, go before the Select Committee on Public Administration—of which he is a member, and which undoubtedly will seek to interrogate me extensively on its provisions. Subsequently, subject to business managers, there will be a full debate on the Bill in the House.

Freeing information about public services and authorities has to be matched by the protection of information held about private individuals. On 16 July, the Data Protection Act 1998 received Royal Assent, implementing a European Community directive agreed by the previous Government.

The Registration of Political Parties Act 1998 received Royal Assent on 19 November, and provides for establishing a register of political parties. It will, among other things, prevent what has become known as the Literal Democrat problem, where candidates purposely use misleading titles to deceive voters and thereby pick up votes. The Act will prevent the deception of voters by Literal Democrats or others.

That Act is but one part of a programme to improve public confidence in the functioning of political parties and to sustain high standards of conduct in public life.

Allied to that action will be publication, by the summer recess, of a draft Bill to implement the main findings in the Neill committee's report on the funding of political parties. The House will recall that, earlier this month, we were able to debate that committee's report. I was greatly encouraged by the large amount of cross-party support for its recommendations.

Mr. Nick Hawkins (Surrey Heath): The Home Secretary says that the proposed new legislation will implement the committee's main findings. How can he possibly justify suggesting that when he has rejected the committee's most important finding, on referendums?

Mr. Straw: If the hon. Gentleman reads the record of the debate, he will see that I did not reject that finding. I made it quite clear that I was far from rejecting it. I make it clear to the right hon. Member for Sutton Coldfield that, in the debate, I raised issues not about using public money in referendum campaigns—there should be evenness in funding—but about practical problems, most likely in a referendum on the single currency, of Ministers' access to official advice on, for example, possible turbulence in the markets. That is exactly the point that I made when we debated the matter about four weeks ago.

It seems to be a matter on which we should be able to reach sensible agreement on both sides of the House. There will be a substantial period during which there can be proper consultation with the Opposition, and it is plainly in the interests of all concerned if we can move forward on the matter on the basis of agreed proposals.

Mr. Bercow: If the Home Secretary is saying, on behalf of the Government, that he is in favour of fair funding for referendum campaigns, will he take this opportunity publicly to rebuke the Secretary of State for Trade and Industry, who made it clear in a recent television interview that he did not support such a proposition and attacked the Neill committee recommendations on the issue?

Mr. Straw: I know of no such suggestion by my right hon. Friend. I draw to the attention of Conservative Members my words of 9 November:

"We are talking not about spending money, but about having access to advice to which they"—

Ministers—

"would not have access to during a general election campaign."—[*Official Report*, 9 November 1998; Vol. 319, c. 58.]

Everyone must recognise the difference between a referendum campaign and a general election campaign: a general election campaign takes place when a Government have finished their work and are seeking re-election; a referendum campaign takes place while a Government are in office.

I am delighted that we have been able to make such swift progress on devolution. The people of Scotland and Wales will be able to vote for Members of their new Parliament or Assembly just days after the second anniversary of the election of this Government.

The effect of devolution in Northern Ireland will be equally profound. Words such as "historic" and "momentous" are bandied about all too freely, but they are perfectly apposite to describe the Good Friday accord. Peace in Northern Ireland is a goal for which successive Governments have been striving for many years.

For the Scottish Parliament, the Welsh and Northern Irish Assemblies and the Greater London mayoralty and authority, we have developed voting systems that are tailored to the functions and geographical spread of the institutions—as we have, famously, for the European Parliament. On Wednesday, we can debate the finer details of the closed list system for the sixth time in a month.

We have all been elected on a closed list. There is no better example than the 12 lackey Members—there are many more—who went on the chicken run. In none of the constituencies concerned—Southend, West; North-East Hampshire; Mole Valley; Worthing, West; Stone; Charnwood; Bromley and Chislehurst; Surrey Heath; Hitchin and Harpenden; North-West Cambridgeshire; Mid-Sussex; and North-West Hampshire—were the voters given a choice in who should be the Tory candidate. The candidates were parachuted in by Conservative central office, or the Members parachuted themselves in, scared stiff—rightly—that they were going to lose the seats from which they were fleeing. The idea that the voters had some additional choice is preposterous.

Mr. Brazier: The Home Secretary has passed quickly over the genie that has been uncorked by devolution. What will the Government's attitude be should one of the first acts of the new Scottish Parliament be to exceed its remit and call for a referendum on the independence of Scotland?

Mr. Deputy Speaker: Order. We are in danger of straying outside the terms of the motion. I would not want the Home Secretary to be tempted to do so.

Mr. Straw: I have been trying to stick to the spirit of "Erskine May". The subject of the debate is the constitution and Parliament; the detail is about the Neill committee and House of Lords reform. The hon. Gentleman should read the White Paper on Scottish devolution, which sets out the answer to his question. As for the best electoral system for this House, we had a full debate on the Jenkins report earlier this month.

The topic that has generated the greatest heat from the Conservatives, if not very much light, is reform of the House of Lords.

Mr. Kenneth Clarke (Rushcliffe): I am afraid that I have not had the pleasure of hearing all the debates on the closed list system. Is that the full extent of the Home Secretary's defence of it? We are used to Members of Parliament and candidates exaggerating their personal vote in elections. The right hon. Gentleman's proposition is that it makes no difference to the electorate who stands. I would not normally choose an example from the Labour party, but does he remember when the Labour party chose Peter Tatchell as its candidate in a by-election in south London? Surely that was the single reason why a safe Labour seat went to the Liberal Democrats. It has stayed in the hands of the Liberal Democrats ever since. The electorate begin with a political loyalty, but it is preposterous to say that they do not want to know which individual is expected to represent that party locally.

Mr. Straw: Of course I remember the Bermondsey by-election at the end of January 1983. The right hon. and

[Mr. Straw]

learned Gentleman does the Labour party too much credit suggesting that the only reason that we gained fewer votes than the numbers who turned up to Labour party public meetings was the candidate. The Labour party had a few problems of its own, as those of us who sought to canvass in that bitter January remember all too well.

I am sorry that the right hon. and learned Gentleman was not present during the many hours of debate on the closed list, the reports of which I have here, because I have no doubt that he would have lightened the atmosphere. However, he has made my point. Mr. Peter Tatchell was on a closed list of one. The voters were faced with a simple choice. If they did not like the candidate, they did not vote for the party. We got a clear message. The same will happen with closed lists for the European Parliament. If people do not like the candidates, they will not vote for the party and we shall have to accept that. That is a necessary consequence of closed lists. I do not resile from that.

There are two fundamental objections to the present position of hereditary peers in our Parliament. The first is that they are hereditary—an idea that is as absurd as it is offensive. The hereditary principle is seen as preposterous—*[Interruption.]*

Mr. Deputy Speaker: Order. I do not know whose electrical device is making a noise. Can it be identified and turned off at once? Madam Speaker gets extremely annoyed when such things happen in the Chamber. Hon. Members on both sides must either leave their devices outside the Chamber or make sure that they are switched off before they come in.

Mr. Straw: Had the right hon. and learned Member for Rushcliffe (Mr. Clarke) been present in our debates, he would know that every time that I have spoken I have been interrupted by a mobile telephone or a pager.

Mr. Kenneth Clarke: The right hon. Gentleman will be pleased to know that I am a bleeper-free Member of Parliament.

Mr. Straw: Would that I were.

I was saying that the hereditary principle is seen to be preposterous and risible when it is applied to any other walk of life. As my right hon. Friend the Member for Chesterfield (Mr. Benn) has graphically put it, imagine inquiring of the pilot of an aeroplane about whom one was a little worried what his qualifications were and being told, "It was my grandfather who acquired the pilot's licence. I inherited it." Or imagine lying open-mouthed in the dentist's chair as the dentist drilled into the gum instead of the teeth. That would raise questions about his skills. Imagine if, when asked to produce his certificate of competence, he brought out one awarded in 1860 to his great great uncle William, but said not to worry because the skills had been transmitted through the genes.

I found it extraordinary that the right hon. Member for Sutton Coldfield criticised the second chamber in Canada on the ground that everybody there was appointed. That is true, but they are appointed on their own merits, not on the merits of their long dead ancestors.

Labour Members are not the only ones to have taken the view that there can be no place for hereditaries in the House of Lords—a succession of Conservatives have done so. A former Conservative Home Secretary, now Lord Baker of Dorking, said in the House of Lords on 14 October, almost as an aside, that the position of hereditary peers was one

"which no one can defend".—[*Official Report, House of Lords*, 14 October 1998; Vol. 593, c. 977.]

In a pamphlet published in 1981, the former blue chip group of new Conservative Members said:

"Hereditary peers no longer command enough respect from the nation as a whole to justify their exercise of legislative power".

[HON. MEMBERS: "Where are they?] None of them is here, but some are in the other place. The four authors include three former Ministers—William Waldegrave, Tristan Garel-Jones, and Ian Lang. The fourth was then plain Robert Cranborne, now Viscount Cranborne, Leader of the Opposition in the other place.

Another Tory—at that stage a young Tory—told the Conservative party conference in 1980 that hereditary peers were "silly". That young Tory was one William Hague. I accept that we can all change our minds over an 18-year period, but when we do we owe an explanation. If hereditary peers were "silly" in 1980, what has changed since then to alter the right hon. Gentleman's opinion today?

Mr. Grieve: The Home Secretary makes a great attack on the hereditary principle and I accept that there may be mixed views on it. However, in attacking the hereditary principle, would he care to reflect on the British jury system? Are not the vast majority of people who serve on juries summoned to do so because they happen to be descended from British citizens and therefore qualify for that purpose at the age of 18? It is a random selection sample which is not based on qualification. I would be grateful for the Home Secretary's comments on that point.

Mr. Straw: I have a great deal of respect for the hon. Gentleman, but he does not do himself credit on this occasion because there is a world of difference between people being chosen wholly at random and the composition of the other place.

Mr. Laurence Robertson (Tewkesbury): The Home Secretary referred to dentists. As I have just returned from the dentist, I hope that he will forgive my lack of verbal dexterity. Does his dislike of the hereditary principle extend to the monarch?

Mr. Straw: No.

Maria Eagle: The Queen does not legislate.

Mr. Straw: My hon. Friend is right. There are overwhelming arguments for constitutional monarchy. Every other country with a constitutional monarchy does not have hereditary peers with legislative power.

Mr. Gerald Howarth (Aldershot): The Home Secretary has not answered the point raised by my hon. Friend the Member for Tewkesbury (Mr. Robertson). If the Home Secretary is adamant that the principle of hereditary succession is, in his words,

"risible", he will have to defend the position of the monarch rather better as many of his right hon. and hon. Friends will make their next target the removal of the hereditary principle as applied to the monarch and he will be caught out by them.

Mr. Straw: With great respect to the hon. Gentleman, I think that we can speak rather better for what we believe than he can, and what he says is untrue.

Mr. David Heath (Somerton and Frome): Has the Home Secretary considered the position of the 12th Earl of Dunmore, Viscount Fincastle and Lord Murray of Blair, Moulin and Tillimet—who is one person—who did the other place a great service the other day by attending and speaking in the debate despite the fact that he has always lived in Tasmania, where he has now returned? Does the right hon. Gentleman believe that there is any reason why that person should be legislating on behalf of the people of Britain?

Mr. Straw: No, I do not. However, it is consistent that the Conservatives, who gave votes to people living abroad, should rely for their majority on a very long list, which I shall not read out, of about 50 peers who live abroad and certainly would not serve on a British jury.

The first fundamental objection to the position of hereditary peers is that they are hereditary. The second, which the right hon. Member for Sutton Coldfield missed altogether, is that they give one political party—the Conservative Party—an in-built 3:1 majority in the Lords, regardless of which party has the most popular support in the country.

Fifty years ago, a party leaders' conference on the future of the Lords agreed a memorandum that was signed for the Conservative party by the late Anthony Eden. Although there was not consensus on every aspect of reforming the Lords—hon. Members can read the full text in the Library—it was agreed that no one party should have a permanent majority in the Lords. That was in 1948, but one party does have a permanent majority. What exposes the Conservatives' complaints about our two-stage process as utterly hollow is that in the intervening period since 1949 they have done absolutely nothing to change that in-built majority. We know why—it has not suited them.

We all acknowledge the important work of the other place as a revising Chamber, but that function requires neither hereditary peers nor an in-built 3:1 Tory majority. We also know that when push comes to shove, the Conservative party has always been ready ruthlessly to exploit that majority in its favour.

On any basis, the poll tax was an issue of rather greater significance and popular controversy than the question of closed lists for the European parliamentary elections. As many of us recall, it was opposed by so many Conservative Members that the then Government's majority fell from more than 100 to just 23. What role did the 3:1 in-built Tory majority in the Lords play? Was it to stand up for the democratic will and to challenge the ambiguity of the Conservatives' 1987 manifesto commitment? No, it was not; it was to drive the Bill through regardless of the arguments.

The Conservatives' use of their in-built 3:1 majority has differed when Labour Governments have been in power. In an average Session when the Conservatives have been in power, there have been 13 defeats of Government business in the other place. In an average Session when Labour has been in power the figure has been five times that—on average 60 defeats, including the recent decision in the other place to override the elected will of this democratic House on five occasions in respect of the European parliamentary elections, forcing us now to use the procedures of the Parliament Act 1911.

I pose this question to Her Majesty's Opposition: if, by some freak of nature, the vast majority of hereditary peers had been overwhelmingly Labour or Liberal Democrat supporters and the in-built 3:1 unelected majority had been against their party, not in favour of it, would the Conservative party have been quite so relaxed about the reform of the other place? Of course not. The smile on the face of the shadow Home Secretary speaks for itself.

Mr. Donald Anderson (Swansea, East): My right hon. Friend is absolutely right to draw attention to the recent record of the other place, including the poll tax. Would he care to comment on the constitutional propriety of the briefing to Conservative peers and Members at the time of the Queen's Speech that they should give zero tolerance to the Government's programme over the next Session—when the Government were elected with a massive majority?

Mr. Straw: The best comment that I can make is that that would be unwise for the Conservatives. They are paving themselves into a corner in choosing out of all the issues in the home affairs brief to concentrate on defending the hereditary principle when we have just had an admission—albeit through silence—that they recognise that they have never taken any action to reform the House of Lords because it gives them a convenient 3:1 majority. In many ways, I am delighted that they should draw public attention to such an issue.

Mrs. Eleanor Laing (Epping Forest): Will the Home Secretary give way?

Mr. Straw: No, if the hon. Lady will excuse me.

On the issue of the manifesto, two years ago Viscount Cranborne—now Leader of the Opposition in the House of Lords—made a keynote speech on the constitution. It is worth re-reading, not least for its quaint assertions. He claimed that the "hereditary peerage"—more than half of whom went to Eton—

"are coming to represent the common man in Parliament".

I tell the hon. Member for Beaconsfield (Mr. Grieve) that I do not think that half the members of the average jury will have gone to Eton.

The noble Viscount made an important admission in his speech. He engaged in an argument about our two-stage proposal, which had been well aired. He said that

"we should examine what Labour is proposing and test the justifications they give for their policy. It will then be for an informed electorate to decide".

At the general election, an informed electorate did decide. Our commitment to a two-stage process could not have been clearer. We said in our manifesto:

"As an initial, self-contained reform, not dependent on further reform in the future, the right of hereditary peers to sit and vote in the House of Lords will be ended by statute."

[Mr. Straw]

By continuing to say that they will refuse to accept the will of the electorate on the two-stage process, the Tories put themselves in an entirely false position. As we have heard today, they have used the reverse of that argument on the European Parliamentary Elections Bill.

Mr. Andrew Tyrie (Chichester): Will the right hon. Gentleman give way?

Mr. Straw: No.

The Opposition justify what they are doing on that Bill on the ground that the provision of closed lists was not included in our manifesto. The right hon. Member for Sutton Coldfield is right about that—we were committed to a proportional list, but we did not specify which kind of list. However, by using that argument, he is also saying that the manifesto should be treated as gospel and that, where it is detailed, there can be no doubt that the Government should be allowed to secure their business. If the Salisbury doctrine is to have any meaning, that must be the minimalist interpretation of it, but we are now told that both it and our manifesto are to be ignored. That is undemocratic and unconstitutional; it will not remotely impress the British people.

The Government believe that a second chamber can and should play a most important role. We value its wisdom and its work as a revising Chamber, as I hope we showed when we accepted a number of its amendments to two key Bills—the Crime and Disorder Bill and the Human Rights Bill. However, we believe that we must have a second chamber whose members sit in it by their own right, not by virtue of the acts of their ancestors.

In 1958, one of my distinguished predecessors as Home Secretary, Rab Butler, spoke on Second Reading of the Life Peerages Bill to introduce life peers into the other place. He said that the Bill

"would make it possible to offer life peerages to people of distinction in the public service, people who could represent some aspect of the nation's life with particular authority . . . men and women who will strengthen it"—

the House of Lords—

"by their knowledge of affairs and their experience and widely varied interests, political, scientific, economic, cultural and religious."—[*Official Report*, 12 February 1958; Vol. 582, c. 407-08.]

We have always believed that life peers add great quality and diversity to Parliament, but we question why those who do not bring those values to Parliament on their own merits should be allowed to continue to sit in it. There is a world of difference between people who are appointed to a position on their own merit and people who are appointed to a position on the merits of their forebears.

Mr. John Wilkinson (Ruislip–Northwood): Will the right hon. Gentleman give way?

Mr. Straw: I have given way many times and I need to come to a close.

As the Gracious Speech made clear, we intend to legislate in this Session to remove the sitting and voting rights of hereditary peers. We also intend to establish a royal commission and then a Joint Committee of both Houses to consider the longer-term future of a second chamber.

We shall be publishing a White Paper setting out our proposals, including those for a new system for the appointment of life peers. We have made it clear that under the new arrangements, contrary to the wild and inaccurate assertions of the right hon. Member for Sutton Coldfield, prime ministerial patronage will be reduced. We will seek to ensure the maintenance of a substantial Cross-Bench element in a second chamber, so that no party has an absolute majority—we shall be implementing the agreement between the parties that was signed in 1948. Even when we have done that, the Conservative party will continue to be the largest party in the other place. What more does it want?

We have made significant progress in our task of giving the constitution of the United Kingdom a radical overhaul. We look forward to further accomplishments in the Session ahead.

Mr. Tam Dalyell (Linlithgow): Will my right hon. Friend give way?

Mr. Straw: I am just coming to an end.

Much of the work on which we are now engaged—on standards in public life, on devolution and on the strengthening of local government—could and should have begun under the previous Administration. Prejudice and indecision prevented them from acting, and prejudice and indecision are the hallmarks of their opposition today.

The Conservative party's opposition is exposed as the hollow, opportunistic sham that it is by the fact that, although it huffs and puffs against the changes now, it will not—I guarantee—be pledged at the next election to abolish the Scottish Parliament or the Welsh Assembly, to repeal a freedom of information Act or the Human Rights Act 1998 or even to reinstate the right of hereditary peers to sit and vote in the House of Lords.

Her Majesty's Opposition know that they have manoeuvred themselves to the wrong side of the argument. They know that the British constitution needs modernising and we know that we are the party and the Government ready and able to deliver that modernisation.

5.36 pm

Mr. Kenneth Clarke (Rushcliffe): The Queen's Speech and the Loyal Address at the beginning of a Session—especially the second Session of a Parliament—give a clear impression of the Government's priorities. This Government have, beyond doubt, decided to give the largest part of their legislative time to the abolition of the sitting and voting rights of hereditary peers—we know perfectly well that that will occupy a great deal of the legislative programme.

I shall not talk about all the other measures—some of which I agree with, some of which I anticipate and some of which I propose to oppose—that have been squeezed out. For some reason, the Labour Government have, in their second parliamentary Session, decided to make the abolition of the voting rights of hereditary peers the priority of the House of Commons.

I believe that the most important issue for the public in 1999 will be the British economy, especially when unemployment rises by hundreds of thousands.

However, that will be debated tomorrow and my views on economic policy and mismanagement are well known. I wonder why the Government have made the centrepiece of their proposals this extraordinary attack on the hereditary peers, whom I will not defend—that is not the issue, as I shall make clear.

All that the Bill will do is remove the voting rights of hereditary peers. It is a more democratic and peaceful version of a policy that a former and more autocratic Government might have adopted—perhaps a few aristocrats' heads would have rolled in the baskets to relieve the starving masses of their problems. The political theatre of the House of Commons will be concentrated on the supposedly crucial matter of removing the voting rights of the large body of hereditary peers, but I do not think that that will work as a diversion.

The debate is about the constitution and Parliament, a subject that the Home Secretary seemed seriously to tackle in the first part of his speech. He launched into an interesting academic lecture, although he rightly decided that academic lectures—he has given a few good ones in his time—are not best given on the Floor of the House. He tried to cloak the matter with the dignity of a thought-through philosophy on the constitution and Parliament, the proper relationship between the citizen and the state and the checks on autocratic Governments.

The Bill addresses nothing of the kind. The Government do not work in that way. To say that the debate has anything to do with the long-term development of the British constitution is to elevate it above its true importance. The Prime Minister shows what he thinks of the constitution of the House of Commons—he does not believe that the House is important enough for him to attend or to take much interest in its proceedings. He throws the House Bills such as this one to keep the more difficult of his Back Benchers happy in fighting out old battles about hereditary peers.

The Government are embarking on a lot of constitutional reform, but they are doing so for short-term, party management reasons. They give ad hoc reactions to this and that crisis, but they neglect all the serious constitutional issues.

With hindsight, I believe that the Government of whom I was a member for so long were mistaken in becoming so immovable on the constitution. We should not have allowed ourselves to be put in a position where we seemed to be defending the constitution for every part of the United Kingdom as though it could never change. The benefit of having an unwritten constitution is that it evolves and changes. In the recent debates on devolution legislation, we accepted some of those errors, and that some of the changes—such as the creation of a Scottish Parliament—were permanent.

On devolution, the present Government made the error that they are now making on a bigger scale on the second Chamber. On Scottish devolution, we said, "We give up. We were wrong." We now wish to persuade the Scottish people that we accept that they will have a much greater role in governing their part of the UK in future, and that the Parliament is permanent. We will try to rebuild the Scottishness of our party in the Parliament.

The Government would not address the big issues—and the big, difficult issue is the West Lothian question, the existence of which was not even acknowledged by the Government. There is no answer to it in the arrangements that we have and, one day, it will explode. The Government instead argued about which Scottish Members of Parliament should be on the fixed list that they were proposing for the electoral system. Their aim was to beat the Scottish National party. I am not sure whether I hope they do or not; I suppose that, for the sake of the Union, I hope they do. However, the matter was totally misjudged, and we are left with a funny piece of the constitution that will have to be addressed—exactly the problem with House of Lords reform.

This is the first time that I have made a speech on the other place in all the time that I have been in Parliament. That is rather surprising. I have been here for a few Parliaments now—as long as my right hon. Friend the Member for Sutton Coldfield (Sir N. Fowler). I always assumed that if I carried on being elected by my constituency, it would not be long before I was voting for the abolition of the voting rights of the hereditary peerage—because of the easy arguments made by the Home Secretary. Those rights were nearly abolished shortly before I was elected, by all-party agreement.

I hesitate to give the exact number of years later, but I am genuinely surprised that we are only now discussing the removal of the voting rights of hereditary peers. If, at any stage, any Government of any complexion had asked me to vote for the removal of those voting rights, I would have voted in the Aye Lobby—if it was in the context of giving this House the opportunity to decide what sort of second chamber we should have. That is the point that the Home Secretary did not address. I never imagined that any Government would be daft enough to say that we should vote for the abolition of the sitting and voting rights of hereditary peers but not consider any other aspect of the second Chamber, or the consequences that that will have for the constitution.

Fiona Mactaggart (Slough): Will the right hon. and learned Gentleman give way?

Maria Eagle: Will the right hon. and learned Gentleman give way?

Mr. Clarke: I shall give way to the hon. Member for Slough (Fiona Mactaggart), who is obscuring the view of the hon. Member for Liverpool, Garston (Maria Eagle).

Fiona Mactaggart: How kind.

If the right hon. and learned Gentleman is right to say that nobody ever thought that any Government would be "daft enough" to undertake reform in two stages, could he perhaps explain why, when the Conservatives were not doing so well during the election campaign, they did not use as a major campaign item, designed to get more votes from the masses for their proposals, that part of the Labour manifesto which quite explicitly stated that this would be a two-stage process?

Mr. Clarke: I did not think that the issue was worth a vote to anybody at the election—my constant regret when I speak on constitutional issues. Members on both sides of the House had to rush away to find exactly what was said in the manifesto at the last election. However, the idea that the Labour majority was based on the commitment to get rid of the votes of the peerage is somewhat exaggerated.

[Mr. Clarke]

I cannot remember the last time anyone raised the issue with me, but I have made no secret of my views over the years. I always assumed that, eventually, we would address the question of the second Chamber—a substantial question.

First, one must ask whether we should have a unicameral Parliament or not. I have wavered on that over the years. In the past, I have almost fallen into the trap into which Ministers in the present Government have fallen: when the House of Lords was booting my Bills about, I wondered whether it might not be a good idea to have just a single chamber. On balance, I am against that.

We have a second chamber for the reasons that every other democratic state in the world usually has one: because it can provide some practical constraint on the occasional tyranny of the elected majority; because it can provide a check and a balance; because it can assist in drafting; and because it can occasionally cause a pause for views which are, in the instant, unpopular, but can be reflected upon as preserving minority and wider interests. Those are important issues. That is what the second Chamber is for.

It is not just a question of which party has the most seats at any given time, which is what the Home Secretary concentrated on. That part of the argument is obvious to the public, and the Home Secretary will not deal with it. He attacks the voting rights of hereditary peers—fine, I will not in any way defend them. He has already recounted how countless Conservatives have no intention of defending the voting rights of peers. However, he ignores the second part. What is the legitimacy of the body that we will leave once we have removed those voting rights?

If—in a healthy parliamentary democracy—we are to have a second chamber, it must have proper powers and a broad consensus of opinion behind it to give it the legitimacy to exercise those powers. There are many features of modern politics—most, but not all, down to this Government—which make the need to address the reform of the second Chamber more important than in the past. I fear, and I have no doubt, that the House of Commons has diminished in importance as a focal part of national debate for a variety of reasons.

I am a complete reactionary on this matter—I always was in government—but I think that a lot of the things that were done in the name of the reform of parliamentary procedure have weakened the ability of smaller groups of hon. Members to inhibit the progress of Government legislation. I never approved of the Jopling reforms, and I am afraid that the hon. Member for Bolsover (Mr. Skinner) and I were at one in our reaction to Parliament stripping itself of half of its effective ways of gently frustrating and delaying the Government and of bringing home to Governments the consequences of their actions. I knew that we would suffer from that when we were in opposition.

The power of the mass media has changed. I am not going to attack the media, but the fact is that the relationship with the media now dominates politics in a way that Parliament does not. Governments play to the media more than they need to—this Government more than most. The power of Alastair Campbell far exceeds that of the Leader of the House. Agenda setting is dictated by the way in which issues are presented. That means that there is all the more reason to look at parliamentary democracy, and at the checks and balances that two Houses of Parliament can impose on the Government. Single-issue lobbies are more powerful than ever. Commercial interests, as we know, can intrude on the House of Commons, the House of Lords and the process of government far more than in the past.

No task could be more serious than to look at the second chamber and ask what powers it requires, and I have touched on most of them. I can only give my personal opinions—they are my tentative opinions. The agenda has been forced, and I will wait for the royal commission. No doubt in the intervening time my views will become more crystallised.

I am driven to the conclusion that legitimacy will depend on having an elected element. Once we have changed the second Chamber, drawn it to the public's attention and said that it will not be what it was, the average intelligent member of the public will say that it cannot have legitimacy unless it has elected people. The people give legitimacy to Members of Parliament, and should be electing people for the second Chamber.

When we get on to voting systems, my eyes usually glaze over. However, Liberals will love debating the electoral system, the time scale of elections and whether members of the upper House should be elected for a longer term. In a senate or a second chamber, that matters. We will need something with legitimacy that is detached from the first chamber, and elected by a different method. The matter must be discussed, and as broad a consensus as possible reached, before we move on.

Mr. Dalyell: Will the right hon. and learned Gentleman give way?

Mr. Clarke: I will give way to the hon. Gentleman, who no longer represents West Lothian—it has been renamed.

Mr. Dalyell: The right hon. and learned Gentleman said that he would wait for the royal commission. Does he recollect Michael Foot's adage that a royal commission can be like a broody hen sitting on china eggs? It may be a very long time before this particular royal commission reports. I was the late Dick Crossman's Parliamentary Private Secretary during the last attempt at Lords reform, and I know that it is a complex mire.

Mr. Clarke: I agree entirely with the hon. Gentleman. This is one of the issues on which I also agree with my late boss, now Baroness Thatcher, who hated royal commissions. I hate them, too. They are a dreadful idea. They used to be set up only so that the Government could get rid of a subject on which they had no opinion and did not want an opinion. Usually, a raft of royal commissions is set up towards the end of a Parliament. Then, Ministers can go through an election refusing to answer questions about the subject, saying that they are waiting for the royal commission to report. After their re-election, they receive the report and put it on a high shelf where it can gather dust for a year or two while nothing actually happens.

To be fair, a few royal commissions have produced dramatic results, but it has been usual in the past for the most cynical Prime Ministers—Harold Wilson and people

like him—to set up royal commissions when they wanted to get rid of a subject rather than because they wanted to do something. They wanted to get Parliament to shut up, and to stop demanding that something be done.

The royal commission could take a very long time, which is why we should let the two Houses of Parliament form a respectable group, or let the parties put together a group committed to coming up with some proposals on a time scale.

In a two-chamber system, the first House must obviously have primacy. The House of Lords should not be allowed more than a fixed delaying power. It should have drafting power, but its power to delay is very important. It should have no power over taxation, public expenditure or war and peace; indeed, no body in Europe outside Parliament should have such power either, but I should not be diverted from my task and into that point.

All those are big issues, but not one of them is addressed by the Government. In my opinion, the country needs a modern second chamber that can carry out some of the functions to which I have referred. The Government have raised a big issue. Modern government needs checks and balances more and more, a point not dealt with by the Government.

Even worse, the Government have given their case away by saying that they will set up a royal commission. They accept that there are big issues that ought to be addressed. They accept that Governments require checks and balances, but not the current Government. Some day in the future, a modern second chamber will address all the problems, but not under the Blair Government, and not now during their period in office. Apparently, the Government are so superior that they will sail on for two or three years without addressing the issues, except through discussion by the great and the good on a royal commission.

Mr. Straw: I am listening with care to the right hon. and learned Gentleman's argument, but his point is a parody of our position. We believed that there must be a two-stage process because of the history of the difficulty of reforming the other place in the face of its built-in 3:1. Another reason is the history of the right hon. and learned Gentleman's own party. At every stage, attempts to go for comprehensive one-stage reform have faltered. That was our experience in 1910-11. Does the right hon. and learned Gentleman recognise that getting rid of the hereditaries will at least deal with the most objectionable part of the composition of the other place?

Mr. Clarke: The Home Secretary comes close to my case. Change was temporary in 1910. It has not been addressed since because it is difficult for the Government of the day to go for comprehensive reform. For 88 years Governments have decided that they cannot address the problem of the hereditary peerage. No Government have previously believed that the peers can simply be swept away without the big questions being addressed. The Home Secretary thinks that I am parodying his case, but the Blair Government appear to believe that they can be trusted to sail on safely with a second chamber entirely appointed by the Executive, or by a method chosen by the Executive.

Perhaps the Home Secretary can address my fears to some extent. He did not make it clear whether he thought that an appointed second chamber would be a temporary expedient, or whether it might be permanent. He did not rule out its being permanent. He did not accept that it would necessarily take a royal commission to decide that. Is it temporary? Or is the Home Secretary contemplating that it might be permanent?

The Home Secretary talked about improving the method of appointment. He talked, too, about the absurdity of a chamber in which people have inherited their right to vote, and I agree that that is absurd. It is, however, a pretty close second in terms of absurdity to suggest that a democracy such as ours should have a second chamber in which everyone has been appointed by the Executive, as if that were some strengthening of our political system.

The Home Secretary will have difficulties with such a chamber. As has been said, its Members will acquire their own sensitivities. He will find it difficult to canvas the idea that there might be an elected element to the second Chamber because the people who will oppose that idea will include all the great and the good—our old friends from both sides of the House—who, having put on the ermine, will think it extremely important that they should see their terms out. They will not be anxious to have elected successors.

Mr. Wilkinson: My right hon. and learned Friend makes a most important point about the legitimacy of the other place. Will he have the courage of what I hope are his convictions and say that we need a senate if the checks and balances to which he has alluded are to carry the support of the country? So long as the upper chamber is properly defined and its powers limited, surely a senate would meet the case? Otherwise, we would face the danger of having appointed senators for life, and they are not popular these days.

Mr. Clarke: I agree with my hon. Friend. I do not mind whether we call it a senate or a House of Lords. My views on that are not firm, but the form of the chamber should be debated and contemplated before we make a change. I do not think that the Bill should be allowed to proceed without any further indication on such matters.

Maria Eagle: Will the right hon. and learned Gentleman give way?

Ms Oona King: Will the right hon. and learned Gentleman give way?

Mr. Clarke: I shall take a final intervention, and I believe that the hon. Member for Liverpool, Garston (Maria Eagle) tried to intervene earlier.

Maria Eagle: I have listened carefully to the right hon. and learned Gentleman's speech, which is, as usual, thoughtful. Will he explain why abolishing the hereditary peerage as a first stage would preclude any of the debate to which he has referred, and why a House of Lords consisting only of the life peerage would be any worse than what we have?

Mr. Clarke: If the Government would commit themselves to abolishing the voting rights of hereditary peers at the stage at which the House has agreed a replacement for the second Chamber, they would be in

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a respectable position. Constitutional conventions would mean that they would get their way, and the Salisbury doctrine should certainly be maintained. They would have embarked on major reform that would eventually end hereditary voting rights, but only once we had protected the rights of the citizen—that is what really matters, as the Home Secretary said—and of individuals who may belong to unpopular minorities, including those who belong to parties that are for the time being out of office. There must be checks and balances in the constitution to ensure that an overmighty House of Commons—or a Commons that is too weak and that is governed by a party management more interested in the media than in parliamentary democracy—cannot sweep Members along in its response to pressures of the moment.

In conclusion, I undertake that, if I am still a Member of Parliament, I shall vote for the abolition of the voting rights of hereditary peers, as I would have done at any time since I entered the House, if it is part of a Bill that gives the House of Commons the chance to decide what form of second chamber—a senate or a House of Lords—we are to have in a modern constitution. It is a farce to say that people such as me are defending earls from Tasmania and hereditary voting rights. I have never been interested in the slightest in defending such things.

However, the Bill is a piece of gesture politics that will take up an inexcusable proportion of the coming Parliament's legislative time. If it is swept through as it stands, it will be yet another example of so-called constitutional change by the Government which will do lasting damage and which will reduce yet further the role of parliamentary democracy.

6 pm

Mr. Clive Soley (Ealing, Acton and Shepherd's Bush): I was excited when the right hon. and learned Member for Rushcliffe (Mr. Clarke) tempted me to think that he would join us in the Lobby, but he spoilt his commitment to do so with a number of caveats that will not be satisfied. That aside, the right hon. and learned Gentleman is making a fundamental mistake if he thinks that the Government's approaches to the constitution are short term or ill thought out: they are not, and they will be remembered for many years to come as very significant to change in this country.

The right hon. and learned Gentleman made an important point when he suggested that the previous Government—of whom he was a member under Lady Thatcher—mistakenly believed that the constitution should not change at all, because a high price has been paid for that belief. I have been a long-term supporter of Scottish devolution—and, indeed, devolution for Wales and the English regions—and I watched as the Scottish people became more and more angry with the Government in London who seemed to be disconnected from Scottish interests. The result was the collapse of the Conservative party in Scotland, which has done the Conservatives no good and the Scottish National party much good. The right hon. and learned Gentleman knows that that is the case and I am sure that he also knows that, if the Tory party is ever to recover, it must recover in Scotland. It must address the needs of people in Scotland, and that is why I agree with my right hon. Friend the Home Secretary when he claims that the Conservative party will not repeal any Act that gives extra powers to Scotland.

The Government are showing considerable courage and a well-thought-out strategy for change in three main areas. The first is the national and local impact of constitutional change; the second is the international aspect, including human rights legislation; and the third is the modernisation of Parliament itself. The three are linked, and it is important that we recognise that.

It has become clear that the British parliamentary system, which has been very successful over the centuries and has been copied by many other countries, has become rusty and archaic. It is a tragedy that we did not modernise it earlier. The most obvious area for change is the House of Lords, because even people such as the right hon. and learned Member for Rushcliffe have acknowledged that it is indefensible for the hereditary peers to vote, and to vote in such numbers as to overturn the majority will of the House of Commons. That is unacceptable and it must change.

I part company with the right hon. and learned Gentleman and most of his party over the lack of confidence that they show in the ability of this place and the country to modernise our constitution as we have done in the past. In relatively recent times—for example, the post-1945 period—we have written constitutions for other countries that have been remarkably successful. Those countries include not only Commonwealth countries, but Germany. The right hon. and learned Gentleman is, I understand, an admirer of the way in which the German constitution works, but it was largely written by the British. It was structured so that the second chamber was partly inclusive of local government structures, so that an authoritarian Government could not abolish local democracy as had been done in the past and—I have to say—as the previous British Government did in some ways. That was an abuse of centralised power and that is why we have to reverse what they did. If we have been so successful in writing other countries' constitutions, why does the Conservative party lack the confidence in the British people and Parliament to modernise our own?

Mr. Grieve: The hon. Gentleman said that the Government's plans were well thought out. Is not the difficulty with the reform of the House of Lords that we are being asked to embark on a process when we have not been given the benefit of the Government's thoughts on the outcome of the proposals? We are being asked to replace an eccentric and bizarre institution—albeit an institution with some real strengths—but we will not have an opportunity to debate or consider the likely outcome of the change and how practical and beneficial it will be.

Mr. Soley: The essence of that argument, which has been put time and again by the Conservative party, is, "We want to see an exact plan. We know that no one can draw up an exact plan that gets everyone's agreement to every dot and comma, so the change will not happen and we can carry on having the hereditary peers to give us our built-in Conservative majority." That is the argument, but it flies in the face of this country's history. To use a Conservative phrase, we don't do it that way. We build up change, and that has been a successful approach. The House of Lords dominates the argument to a degree that is not wholly desirable.

The other area of our constitution that must be modernised is local government. Devolution to Scotland, Wales and, I hope, London and the English regions is important. The roots of the right hon. and learned Member for Rushcliffe are in the north and he will remember that the most successful time for this country, economically as well as politically, was the last century. That was the time when our local government was most adventurous, assertive and politically and economically active. The great cities of the industrial revolution—Birmingham, Manchester, Glasgow and Liverpool—fed the wealth of Britain and helped to create a local structure of rights and responsibilities that we undermine at our cost.

The right hon. and learned Gentleman will also know that many great Conservatives came out of that system, but the Conservative party has lost its confidence to the extent that it no longer believes in what it achieved in the past. It is time that it looked back to its roots to see where it should go in the future.

Mr. John Maxton (Glasgow, Cathcart): My hon. Friend may recall that the predecessors of the Conservative party opposed a Bill to give Manchester—by that time, the second or third largest city—any Members of Parliament at all.

Mr. Soley: My hon. Friend will understand that I am not defending everything that the Conservative party did in the 19th century. I suggest that the Conservative party has forgotten that a better and more appropriate system of local government was achieved at that time, and it does so at its peril.

Local government is important, and it is currently undervalued. We must address our responsibility for that, because Members of Parliament sometimes behave as though they are super-councillors. We must give power back to local authorities and we must give power to the regions.

One of Germany's greatest success stories was based on the economic development powers of its regions. Like almost all the other European countries, Germany has successful regional development, which we do not have here. The English regions do not enjoy the benefits that many of the European regions enjoy, but with devolution to Scotland, Wales and the English regions, we can start to do so.

When the Conservatives removed powers from London government, they left a big hole. No sensible decisions could be reached by 32 London boroughs meeting together. When they tried to decide which borough should have a waste disposal plant, none of them wanted one. If a city does not have a basic planning mechanism to underpin economic efficiency, why should anyone be surprised if that city becomes unattractive? For example, Frankfurt and Brussels argued that London should not be the home of financial institutions because it had a poor environment and economic infrastructure. One of the reasons for that is the lack of an effective government for London.

I shall turn briefly to the international aspects of constitutional change. Many changes are so dramatic and fast that they have an impact on our constitution beyond what we envisage when they occur. Britain's incorporation of the European convention on human rights is a significant step forward. Conservative Members should remember that that document was drafted by British jurists. It is curious that we gave the document to Europe and were the first to sign it, but did not incorporate it into our legislation. That is another classic case of the British saying, "Do as we tell you, not as we do."

That process left a number of holes in our system, which had worked well in the past. One cannot continue with a system that was built on the assumption that one could do anything that was not against the law, without recognising that the way in which the world has changed necessitates building into that system certain defences of basic human rights. That is why I welcome the change made by the Government.

I welcome also the signing up to the International Criminal Court, which reflects this place at its best. You would rightly check me, Mr. Deputy Speaker, if I began to talk about a recent case, but an historic, watershed decision was made by the Law Lords last week. That is curious because it fits so precisely with our past. One has only to walk through Westminster Hall to realise how, 400 years ago, this country was separating the political from the legal.

We advance the rule of law through a process of passing Acts of Parliament in a democratic structure. What happened last week was another step on that road which was very welcome and of which we ought to be proud. Whatever one thinks the outcome should be in that case, the process says that dictators such as Saddam Hussein and Milosevic should no longer be able to commit crimes and assume that they can never be called to account for them. That is one of the most important ideas growing throughout the world, and we should be proud of our part in its growth. The process started in Nuremberg in 1945, but it has moved on. We need to move it on again. Dictators who so appallingly disfigure the face of the 20th century with their torture and genocide can no longer assume that they can simply walk away. The International Criminal Court is part of that process. It has implications in that it limits our freedom to operate in other areas but it is important.

My final point, which is linked with the overall approach to the constitution, relates to the reform of Parliament. I speak as a member of the Modernisation Committee. I know that some of my hon. Friends are at times frustrated because the progress does not seem to be as fast as they would like it to be. It is important that we carry the other parties with us in reform as far as possible.

I, and many other Members, have thought for many years—hon. Members elected in the last election simply embellish our views—that Members of Parliament are no longer as effective as they used to be. Modernisation must therefore make Members more effective. We recognise that a delicate balance must be struck because Parliament is not the same as Government. Effective Members of Parliament may not always be good news for the Government, but it is important that we become effective because we have lost confidence in ourselves.

The House of Commons arranged for Members of Parliament to report back to it on the Jamieson raid at the turn of the century and on the Clerkenwell riots in the 1830s. When we have had cases such as arms to Iraq or the Brixton riots, we have arranged for the inquiry to be conducted by a judge or a civil servant. I mean no disrespect to those people but the House ought to have a little more confidence in its ability to deal with such

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matters itself. That is one of the reasons why I welcome the commitment in the Queen's Speech to a freedom of information Bill, not only for its own sake—although several correspondents have said that the Government were not planning to introduce it—but, more importantly, because the Queen's Speech said that there would be pre-legislative scrutiny in this House and the other place. There is much talk about stripping away the powers of the House of Lords, but hon. Members must recognise that we are giving the other place additional important duties.

There is an agenda of linked proposals which combines reform of Parliament with the reform of local government and of our national constitution in a way that very much fits, as I hope I have shown, with our history and our hopes and aims. If we achieve that, the Government will be remembered not only for years but for decades to come, and they will have changed the face of this country.

6.15 pm

Mr. Robert Maclennan (Caithness, Sutherland and Easter Ross): I follow the hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Soley) in recognising that the House and the country have tended to innovate step by step in constitutional matters. The hon. Gentleman described that as the way in which we do things and sought—in vain—to enlist the support of Conservative Members. Although he is right in his historical description of how we have proceeded, he will agree that the period of the outgoing Conservative Government was marked by their negativism and hostility to constitutional reform.

That was a period of stasis for which the right hon. and learned Member for Rushcliffe (Mr. Clarke), as one of the most senior members of that Government, bore a heavy responsibility. He cannot shrug his shoulders and say, "Well, I know better now." He did immense damage in delaying the implementation of devolution in Scotland when the settled will of its people had been established before his Government took office. He cannot just say, "Perhaps we should not have disposed of the government of London without any proper authority to do so and left Britain's capital city without a representative government."

The right hon. and learned Gentleman cannot use his arguments of letting the good be the enemy of the best to carry the support of the House for a further period of know nothing, do nothing on constitutional reform. He may be semi-detached from his party and not carry a great deal of weight with its members. His speech was markedly different from that of the right hon. Member for Sutton Coldfield (Sir N. Fowler), the official spokesman for the Opposition, who showed no regret about the past. In that, I suspect, the right hon. Gentleman was more honest than the right hon. and learned Member for Rushcliffe because the right hon. Gentleman will continue as the Conservatives governed in the past. He saw fit only to make narrow criticism of the contents of the Queen's Speech and to make fun of attempts to reform the indefensible upper Chamber.

The hon. Member for Ealing, Acton and Shepherd's Bush did the Government less than justice on the broad scope of the constitutional reforms that were adumbrated in the Queen's Speech. There has been no point in history when a Government have proceeded with such a massive agenda for change as this Government have. The change is belated. That is not a criticism of the Government; reform-minded parties have not been in government for a long time.

Change is overdue and the fact that it has been proposed with the consent of such a large part of the British electorate is due to the awareness—contrary to what the right hon. and learned Member for Rushcliffe said—that the economy is not always uppermost in people's minds. He left office as Chancellor of the Exchequer with a healthy economy for which he can claim a good deal of responsibility, But his party was swept out of office because the stench of corruption made the British public recognise that a change of system was more important than their short-term economic position. He would do well to learn from that lesson rather than read the Government a new one about how they should let the upper House well alone.

Mr. Grieve: Recent opinion poll soundings suggest that more than 60 per cent. of people polled think that it is highly undesirable that the Government should embark on reform of the House of Lords without identifying stage two. How does that square with the right hon. Gentleman's view that there is an overwhelming desire for the upper House to be reformed along the lines that the Government have proposed?

Mr. Maclennan: Two parties, which not only recommended reform of the upper House but precisely the way in which it should be reformed—as reflected in the Queen's Speech—commanded the support of 64 per cent. of the electorate at the election. I do not believe that the minds of the British public have been changed dramatically on that or, indeed, any other matter in the interim. The Government are entirely entitled to proceed on the assumption that they have the electors' support for this measure.

Mr. Tyrie: What are the Liberal Democrats really getting for selling their souls in the Lobby on this issue? Do not they realise that Labour's manifesto commitment on Lords reform is clearly self-contained and not dependent on any further reform? The Liberal Democrats are committed to a democratic upper House, but the likelihood of their getting it is entirely dependent on whether Labour ever delivers stage two—and the likelihood of that is very slim.

Mr. Maclennan: The likelihood of our delivering constitutional reform which modernises Britain's system of government is enhanced by the extent of the agreement that was reached prior to the election between the Liberal Democrats and the Labour party, which has been sustained since the Government took office. That has resulted, as I have said, in an unprecedented programme, which is being implemented with deliberation and, indeed, rapidly by comparison with any previous episode in our history.

Although we share the Government's views on the appropriateness of their proposed programme, there is not an identity of view about the end point. That stems from a somewhat different approach to constitutional reform generally, and to what is desirable. Although the hon. Member for Ealing, Acton and Shepherd's Bush, in his

thoughtful speech, rightly recognised the step-by-step approach, it is time we acknowledged that we should be seeking to establish new fundamental principles in our constitutional settlement—principally the notion that constitutionalism is a safeguard for the rights of citizens. The constitution should rest on the sovereignty not of this House, but of the British people.

That is not a purely theoretical matter, for this House is capable of acting with authority in a majoritarian fashion in disregard of the rights of minorities. The rights of minorities can best be protected by a fundamental constitutional law to which the courts can pay proper attention when Parliament, for whatever reason, is unwilling or unable to do so. I know that such an argument appeals not at all to the right hon. Member for Sutton Coldfield, as his remarks about the position of asylum seekers showed. He is prepared to trade their interests for some column inches of headlines in the *Daily Mail*. We should be more sensitive to the rights and needs of minorities than Parliament is often able to be.

It may be said that, in enacting the Human Rights Act in the previous Session, we have moved a long way towards blunting the sharp edge of the old doctrine of parliamentary sovereignty. However, hon. Members will remember that the Government were at pains to state in introducing the Bill and, indeed, in designing it, that it was not intended to limit parliamentary sovereignty; and that, where a clash occurred between the interests of minorities and the will of Parliament, the latter would prevail. That is why I unashamedly advocate a fundamental written law of the constitution. We shall not arrive at that point in one big step. The process, however, has been given a great fillip by the scope of reforms embraced by the Government and well begun.

One of the disadvantages of the piecemeal approach to reform is that it is capable of producing some incoherences. I fear that that has indeed been the consequence of proceeding with the decentralisation of government by route of devolution rather than by the introduction of a federal solution, to which my party is firmly attached. I predict that problems will become substantially greater unless the Government proceed, as they have said they may in due course, towards establishing a regional dimension in England, with powers for regional assemblies not merely to supervise the regional development agencies, which they are in the process of establishing, but over all the functions of government that were grouped together by the late Conservative Government in regional Government offices; these should be brought under the supervision and control of regional assemblies.

Such balanced home rule all round has long been an objective of my party, and clearly distinguishes it from the Labour party—in government and before—which has tended to yield decentralisation only under pressure from a particular part of the country.

The coherence of the settlement must be objective, notwithstanding the fact that different parts of the reform are proceeding at different speeds. I particularly draw attention, not only in the light of the significant judicial events in the House of Lords last week, to which several hon. Members, including the right hon. Member for Sutton Coldfield, have referred, to the fact that the political importance of the judiciary has never been more evident. It is important that, in the ultimate constitutional settlement towards which we strive, the independence of that judiciary should not depend, as it does today, on the independent-mindedness of the judiciary in which we have certainly been able to trust, but on the independence of its appointment and on constitutional safeguards.

That is not a matter of theory either, as is demonstrated by the provision of the Scotland Act 1998, which, until tackled, would have allowed the Scottish Parliament to remove judges on a motion without cause given. That is not only against the traditions of the Bill of Rights but a dangerous step. I believe that it was an attempt to subordinate the judiciary to the Executive—an attempt which it is right to resist. If we are to have in our constitution the checks and balances to which the right hon. and learned Member for Rushcliffe paid lip service, they demand more than the conventions on which these things have rested hitherto, because it is clear how frail those conventions are when they come into conflict with the interests of parties seeking power.

There have been conventions in respect of the use of power by the upper House. There has been a convention—known as the Salisbury convention—that the upper House will not overturn, or prevent the passage of, legislation that has been foreshadowed in the manifestos of incoming Governments. That convention has been rudely shaken by the actions of Lord Salisbury's grandson and his colleagues in the other place, in respect of the European Parliamentary Elections Bill. We cannot place any weight on such conventions in the face of such casuistry as has been shown in the discussion of that measure.

The Bill, as was its intention, would have clearly imported into our law the principles that had been foreshadowed in the manifestos of the Government and, incidentally, of the Liberal Democrat party.

Mr. Andrew Lansley (South Cambridgeshire): Will the right hon. Gentleman give way?

Mr. Maclennan: Let me finish the point.

The Bill clearly set out that there would be a move to a proportional system for elections to the European Parliament. The precise detail of the system was not a matter on which the Labour party or we had given a firm or final view, but the fact that a specific system was not favoured has been used by the upper House to defeat the clear and, I believe, authorised view of the Government that they have a mandate to introduce that legislation—and soon.

Does the hon. Gentleman still wish to intervene?

Mr. Lansley: I am afraid that further explanation did not remove my question. Does the right hon. Gentleman realise that the Government, in pursuing their mandate for a proportional system, did not say what type of proportional system it would be; and that, in that respect, the House of Lords, far from departing from the Salisbury convention, was within it? It was, in fact, exercising precisely the role discussed in this debate—that of causing the House of Commons to be checked and to consider again, and to consider in favour of a system of elections for the European Parliament that was manifestly preferred in debate, as opposed to what was insisted on by the Government Whips.

Mr. Maclennan: The House of Commons and the House of Lords have considered this matter several times.

[Mr. Maclennan]

In opposing the measure, the House of Lords is abusing its position. There is no doubt in my mind that it is a violation of a long established convention; and it is good reason, and could be described as the occasio belli for the war against the hereditary peers that is about to break out—alas, for I would have preferred them to be removed by something other than outright war.

It is highly questionable whether it is appropriate for the Leader of the Opposition to seek to unleash those forces—once again, in defiance of the undertakings given by the party in government to the electorate before the general election. Nothing could have been clearer than the Labour party's commitment to reform the House of Lords in two stages, and it was right to take that view, for there is no conceivable reason why the hereditary peers should have any say whatever in the shape, functions or membership of the House of Lords that will replace them.

Mr. Wilkinson: If it is such a monstrous outrage to unleash these savage, slavering, old Etonian, ermine-clad, hereditary dogs of war in the other place, why do the public at large not appear to be incensed? I do not know whether I am unique, but I have had no letters of protest at what the hereditary and appointed peers have done in the House of Lords in postponing the passage of the Bill to this Session of Parliament—in fact, to the contrary. I have had letters to the effect that it is very good that we have had a chance to think again about the matter.

Mr. Maclennan: I believe that the hon. Gentleman, like many of his hon. Friends, lives in somewhat cloistered circumstances. Normally, the spectacle of their ermined Lordships opposing the will of the elected House of Commons may be regarded as simply ridiculous, but if it is sustained, it will be regarded as wholly unacceptable, and reason enough for the Commons to insist upon its will being done.

Mr. Grieve: Would the right hon. Gentleman care to tell the House the extent to which he has received representations from his constituents criticising the decision taken by the Lords to reject the legislation on closed lists?

Mr. Maclennan: Well, I have certainly had representations about it, but my view is well known, and it is evidently shared by many people, in my constituency and elsewhere.

I have to tell the Home Secretary, although he is well aware of my view, that I believe that the Bill would have had an easier passage in the upper House if he had accepted the system of election to the European Parliament that my right hon. and hon. Friends suggested, which would have provided for a mixed system, a semi-open-list system, allowing members of the public to vote for the party or, if they so chose, to alter the order in which the names were given in the published list—the Belgian system of election. The Home Secretary would have been wise to take that route, but the fact that he has not will offer me no comfort if, ultimately, the House of Lords seeks to overrule the clear and repeated wish of the House in this matter.

Perhaps more notable than the matters that have been considered regarding especially the future of the upper House are the omissions from the Queen's Speech in the field of constitutional reform—or at least the shy way in which intentions have been expressed, with hints that we may see more later, although not just yet. The Home Secretary spoke of the freedom of information legislation. That is a vital piece of the constitutional package, and it is disappointing, in view of what was said by the outgoing Chancellor of the Duchy of Lancaster as to its state of preparedness, that we are promised no more than a draft Bill.

I know that the Government have it in mind to introduce several Bills in this Session and carry them over into the next. We have heard that they may do that for the financial services Bill and the electronic commerce Bill. Will the Home Secretary give thought to the possibility of introducing that freedom of information Bill in this Session, with a view to carrying it over into the next, to make certain that it is enacted as soon as possible? The delay was defended in the Gracious Speech in the name of open government, and of giving the House an adequate opportunity to discuss the measure. We view that with little sympathy, and wish to express our concern that the timetable is slipping.

A case for similar treatment could be made for the enactment of the proposal of the Neill committee on setting up an election commission. That would be a suitable matter for introduction in this Session of Parliament, although time might prove a little tight to allow it to be enacted before the next Session is complete. In a programme of constitutional reform as substantial as that which the Government have embarked upon, momentum must not be lost. There will always be reasons for delay. To be candid, it seems that in respect of the election commission the Opposition have a fair point in saying that they must have some assurance from independent, outside sources that the conduct of referendums is fair. I hope that the Government may feel able when replying to the debate to give an indication of their thinking on that point.

The Opposition have chosen to confine their discussion, in terms of their amendment on the wide constitutional issues, to three matters. The programme that the Government have embarked upon goes very much further than that.

I hope that I may be forgiven for concluding my remarks by returning to an issue that is of great importance, which is the report of the Jenkins commission. It seems highly desirable that the Government's clear undertaking to hold a referendum be fulfilled as soon as possible. I well understand their desire to see how the elections pan out in the spring, with new systems of election in place, but I hope that it will be possible shortly thereafter to take the first necessary steps giving effect to the undertaking to enact a Bill that will enable referendums to be held, and enable the people to decide on a fair voting system for the House in future.

6.42 pm

Mr. John Maxton (Glasgow, Cathcart): First, I congratulate the right hon. Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan) on a thoughtful speech about the constitution. I agreed with a great deal of it. I agreed particularly when he said that the present Administration is one of the most radical reforming Governments of the 20th century in terms of the constitution. Indeed, it might well be said that it is

probably one of the great reforming Governments of the constitution of any century. The Government have gone further in changing our constitution than any Government that I can recall. I congratulate my right hon. Friends on the Government Front Bench on that.

I chaired a short part of the Scotland Bill Committee, which meant that I was not able to take part in any of the proceedings on that Bill at any stage. Therefore, this is the first opportunity that I have had to congratulate my right hon. Friend the Secretary of State for Scotland, who I know cannot be in the Chamber this evening because he happens to be in Scotland with Her Majesty the Queen opening the new museum for Scotland. I congratulate my right hon. Friend on the skilful way in which he steered the Scotland Bill through this place and on the way in which, first, he steered through the House the Referendums (Scotland and Wales) Act 1997. That was followed by the overwhelming yes, yes vote in Scotland for my right hon. Friend's proposals.

I am a longstanding supporter of devolution for Scotland. I believe that it is right. It ends an anomaly that has been present for far too long. The right hon. and learned Member for Rushcliffe (Mr. Clarke) mentioned the West Lothian question, but the poll tax question in Scotland was much more important than that. My right hon. Friend the Home Secretary referred to the poll tax in terms of the English Bill. The Scottish Bill, however, was driven through the House against the wishes of Members representing Scottish constituencies and against the wishes of the people of Scotland. It was clear that the poll tax was to be imposed on Scotland alone. The right hon. Member for Devizes (Mr. Ancram), who now sits on the Opposition Front Bench, was a Scottish Office Minister at that time. He lost his seat as a result of the poll tax measure that he drove through the House.

That was the real anomaly in our constitution. It was the anomaly that allowed the House to impose on Scotland legislation that was not the wish of the Scottish people. I do not intend to take the route of making a speech about devolution at any great length. I merely say that I have always supported devolution as a democrat, as a means of improving democratic structures. It is part of the changes that the Government are introducing. I have never supported, and never will support, devolution on the basis of nationalism. I do not believe that devolution is about nationalism. Instead, it is about improving democracy in this country.

I shall give a mild warning to some of my hon. Friends. I wish that they would stop talking about the first Scottish Parliament for 300 years and start talking about it as a new democratic Parliament for the 21st century. That is what it is about. It is about democracy, not nationalism. Nationalism is backward looking and we are forward looking. We want to look forward to our new democracy.

I congratulate my right hon. Friends on the next step that they are taking, which is to abolish hereditary peerages. It is long overdue. I have heard some dubious defences advanced in the House, but I have heard nothing like the ones put so far on behalf of hereditary peers from Opposition Members. They are saying that however rotten something is, we should not cut out the rotten piece before we manage to build an entire new house around it. What nonsense. If someone has dry rot in his house, he gets rid of it. It may then be necessary to embark on some restructuring of the house but no one would leave the dry rot to damage the rest of the house while restructuring takes place.

Mr. Grieve: Would the hon. Gentleman like to identify exactly what it is about the present structure of the House of Lords which makes the hereditary element rotten—as opposed to the life peers element? What practical effect is it that he identifies as being rotten which requires removal at the initial stage?

Mr. Maxton: My right hon. Friend the Home Secretary rightly referred to what was the English poll tax Bill. I would say that the Scottish poll tax Bill was even worse. The Government of the day pushed through the Scottish Bill even though the Conservative party had not referred to it in its manifesto. However, it was pushed through the House against the wishes of the Scottish people and Members representing Scottish constituencies. Equally, the House of Lords bowed it through almost without debate. That is an example of a rotten majority of hereditary peers being used to drive an unwanted measure through Parliament.

Mr. Gerald Howarth: I am interested in the hon. Gentleman's analogy about rotten wood in a house. Those of us who find that we have rotten timbers in our house do indeed take out those rotten timbers, but it is generally a sensible precaution to have standing nearby the new timbers to put in place. Our argument is that the Home Secretary and the hon. Gentleman have no new timbers to put in place to replace those that they wish to cut out.

Mr. Maxton: The new timbers are there.

The right hon. and learned Member for Rushcliffe said that he would always vote for the abolition of hereditary peers. He essentially said that any royal commission established would get rid of hereditary peers. So what is wrong with getting rid of them now and then considering the future structure at a later date? That seems an eminently sensible thing to do. As my right hon. Friend the Home Secretary has said, there would still be a Tory majority because the Tories had 18 years in which to appoint their life peers.

I congratulate my right hon. Friends on their intent to abolish hereditary peers. I look forward to voting for the Bill that will have that effect when it comes before the House: it has been a long time coming. I am an historian and I remember reading Roy Jenkins's book entitled "Mr. Balfour's Poodle" about the 1911 crisis. I recommend it to anybody who intends to take part in later debates. There are some wonderful quotations from Winston Churchill, if from no one else, about the position of the House of Lords and hereditary peers.

There is a need to move on from the debate, as the right hon. Member for Caithness, Sutherland and Easter Ross said. I hope that I am giving him the correct title—it is right honourable, is it not?

Mr. Maclennan *indicated assent.*

Mr. Maxton: Yes. There are two reasons for changing the constitution. The first is to get rid of anomalies that have been present for a long time, as with the abolition of the voting and speaking rights of the hereditary peers

[Mr. Maxton]

and the introduction of devolution to Scotland. The second reason is the need to keep up with our rapidly changing world: to consider where we stand and how we can adapt or radically reform our constitution to take account of such change.

The internet introduces a totally new element into the way in which our people obtain information. All past Governments have relied on keeping information to themselves for the purposes of power, because retaining information gives them power over people who do not have that information. Suddenly, the internet has released such controls: people can watch me on the internet as I speak; they can read what I and other hon. Members have said in the debate on the internet tomorrow morning; and they can read all the White Papers that the Government produce on the internet. People now have access to information as never before. The other day, there was a short piece on the "Today" programme about how dissidents in China use the internet to get information to each other and to change the way in which China operates.

Technology is advancing rapidly, yet what are we doing? I suggest that the next general election should use electronic voting: people should be able to go into a booth and put their vote into a machine which records that vote immediately. People might ask what that has to do with democracy, but I believe that it will encourage more people to vote. In my constituency, many people do not vote because they would have to travel a mile and a half, often walking past other polling stations, to get to their polling station and vote. Electronic voting would allow people to use any polling booth in the constituency and, eventually, any polling booth in the country.

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. I know of the hon. Gentleman's fondness for electronic matters, but his remarks are rather wide of the amendment we are debating.

Mr. Maxton: I thought that we were talking about the Gracious Speech and that, therefore, we could go a little wider and refer to other constitutional changes that might be introduced. However, I accept your ruling, Mr. Deputy Speaker.

We have a Government who are introducing radical change. This place will increasingly become an anachronism if it does not change itself. That does not mean minor tinkering around the edges of procedures, but radical change to the way in which we look—getting rid of costumes and many other things—and to the way in which we operate. However, as you will again rule me out of order if I go too far down that path, Mr. Deputy Speaker, let me say only that I am disappointed by the decision not to introduce electronic voting to Parliament. I think that that was a mistake; I hope that the Government have not completely abandoned the idea and that we shall return to it at some stage.

The time has come to hold a Speaker's Conference or to set up a royal commission—however much people might criticise them—to consider whether this place is viable in a modern technological democracy. Is it not time to consider whether we should move from these premises to a new Parliament building, purpose built for the 21st century, instead of continuing to work in a building that is no longer usable in terms of modern technology? I hope that the Government will consider my remarks and institute some sort of mechanism whereby we can put our ideas and proposals to a commission or a Speaker's Conference.

The right hon. Member for Devizes sits with a smirk on his face. With the poll tax in Scotland, he did more damage than any other man. He is now supposed to be in charge of devolution matters—

Mr. Michael Ancram (Devizes) *indicated dissent.*

Mr. Maxton: Well, he was when the Scotland Act 1998 went through. His job now is to sit and smirk and try to put people off their speech—he is not going to put me off. It is time for radical change, and that means more than reform of the House of Lords and devolution. The next step is to change this place—the House of Commons. We need to leave and go to a modern Parliament building somewhere else.

Mr. Deputy Speaker: Order. It might be of help to the House if I read out the following statement. The scope of the debate is determined by the amendment before the House, which relates to the European Parliamentary Elections Bill, the House of Lords and the Neill committee report. Reference to other constitutional matters should be made only as background to those main subjects.

6.56 pm

Sir Peter Lloyd (Fareham): I am pleased to follow the hon. Member for Glasgow, Cathcart (Mr. Maxton). If I can find my way through my notes, I shall refer to some of the points he raised—albeit, you will be glad to hear, Mr. Deputy Speaker, not those relating to electronic communications or the other matters that so move him, but about which I know little.

Before I forget, I should like to refer back to a point made by the hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Soley). I agree with his exhortations to the House to have more confidence in its own ability to conduct its own inquiries, rather than farm them out to judges and other dignitaries beyond our bounds. That makes sense only if the House equips itself with those outside experts to use in the Committee that would look into such matters. I hope that the Government and the House authorities will carefully consider that.

I start on a conciliatory note—at least, one that is conciliatory to the Government, if not to most of my right hon. and hon. Friends—by welcoming the undertaking to introduce an age of consent Bill. Before you intervene to rule me out of order, Mr. Deputy Speaker, I should say that this leads directly to the subjects for debate. I welcome the undertaking because the current age of consent, 18, is unrealistically high. It is certainly cruel to those young men who are permanently homosexual and it offers absolutely no help or real protection to those who are passing through a phase on their way to heterosexual orientation.

It is extremely satisfactory that the new Bill will strengthen the protection of teenage boys and girls from those who take advantage of special positions of trust. I hope that the improvement will ensure that the Bill will

now pass in another place. However, we have their lordships to thank for the chance to present them with a better Bill. That would have been less likely had the other place been filled only with placemen and party political loyalists, as the Government are—whatever they say—likely to go some way further in contriving, at least for the foreseeable future.

Like most of my hon. Friends, I see no merit in the bald proposal simply to exclude hereditary peers. If the White Paper is coming as soon as the Home Secretary says it is and we are well down the road of stage two, there is even less reason to act now. Let us wait for both stages to come together and consider them simultaneously. The Government are foolish to press on in the way they propose: the passage of such a Bill will take an inordinate amount of time—time that the Government will find they can ill spare from their legislative programme. I do not believe that it is all part of a well-thought-out stage plan.

The Government might calculate that they will gain some sympathy by persuading the public that they are fighting valiantly on behalf of democracy against the massed might of feudal reaction, but the electors are shrewder than that. They will suspect that the Government are engaged in a shallow exercise, not a constructive piece of reform. They will realise that the Bill will make the other place not a whit more democratic, but visibly and obviously less independent. Above all, the passage of the Bill will continuously remind the public—

Maria Eagle: I thank the right hon. Gentleman for giving way. Can he define what he means by independent? The current composition of the House of Lords suggests that it is Conservative rather than independent.

Sir Peter Lloyd: I believe that the hereditary peers are particularly independent. The fact that—*[Interruption.]* I know that better than the hon. Lady, because I served in the previous Government and know the number of amendments that we were obliged to take account of and adopt. On the whole they were sensible amendments, and many of them improved Bills, but they were uncomfortable for the then Government to recognise. I believe that the House of Lords as presently constructed has independence as one of its merits, but, as I shall say later, the upper House needs thoroughgoing reform.

The Bill will remind the public continuously what a sensible Government would not, and should not, want to advertise: that they are concentrating on stage one because they seem to have absolutely no idea of what to do for the all-important stage two. I hope that Parliament will resist stage one successfully. If it does not, I fear that the Government will be sufficiently satisfied not to hurry to get round to stage two. We need a fully reformed second Chamber—one that has dealt with the hereditary principle, which, although it introduces valuable people in the upper House, cannot now be defended.

We will not achieve full and workable reform in this piecemeal fashion. I could accept even the Home Secretary's two-stage argument, so long as we knew what stage two would be while we were considering and voting on stage one. We would get full and thoroughgoing reform much more quickly and much more effectively if the Government had the sense to put the two parts together.

No doubt the long-drawn-out struggle on hereditary peers will be a handy excuse for the Government, who look as if they are to renege on their election promise to hold a referendum on the electoral system. The wording in the manifesto was such that it led the right hon. Member for Yeovil (Mr. Ashdown), his hon. Friends and everyone else to believe that the referendum would be in this Parliament. I am disappointed that the Government seem to be going back on their word, not out of indignation on behalf of the Liberal Democrats, of course—and certainly not because I believe that proportional representation would be an improvement; I do not—but because the matter should be argued out and then settled by the electors in a reasonable time scale. Held over as an ever-present but indefinitely postponed possibility, it will have an unhealthy, distracting and debilitating effect on the work of this House.

Nevertheless, the Government show all the signs of wanting to avoid any such referendum. They know that it would be divisive in the Labour party, and they perhaps fear that they would not win. Above all, they know that the Prime Minister would have less of a hold over the Liberal Democrats once the issue had been decided one way or another. He would no longer have the ever-receding promise to dangle before them.

As the Gracious Speech reminds us, the Government were the reverse of tardy in setting up the Scottish Parliament and the Welsh Assembly after conducting referendums, which brings me to a large part of what the hon. Member for Cathcart said. Every Conservative Member hopes that the Government and the hon. Member for Cathcart will be proved right in their belief, not that Scotland and Wales are nations—that has never been in doubt—but that they are nations that can be fulfilled and comfortable in the United Kingdom only if they have their own separate national Assemblies in which their nationhood and distinctiveness can be expressed politically.

Likewise, we hope that the fears of many Conservative Members that this kind of devolution will, on the contrary, point up differences, create new areas of conflict and drive the nations of the United Kingdom further apart will be proved wrong. We shall see.

All Conservatives will want to make the new arrangements work as well as possible now that they are in place, but what the Gracious Speech does not acknowledge is that the West Lothian question remains unanswered. It remains unanswered partly because the referendums were held before legislation had gone through the House, which felt disbarred from altering in legislation what appeared to have been promised and approved in a referendum.

The West Lothian question must be answered at some stage, however, if the United Kingdom is to function harmoniously. It can, no doubt, be left over while the Government have a good majority in England as well as in the United Kingdom as a whole, but there will come a time when a Government who do not have such a majority in England seek to impose a policy on England, in respect of a matter that is devolved in Scotland, which is unacceptable to the majority of MPs representing English constituencies. That will create a crisis which would not be contained without further fundamental constitutional change.

[Sir Peter Lloyd]

This is very much unfinished business, left by the referendums. It has the capacity to blow this House apart, if it is not faced with timely imagination, but the words that the Government have used in the Gracious Speech give no hint that they recognise that, let alone how they propose to resolve the dilemma. The dilemma remains to be dealt with, partly because the referendums were held before the legislation had been examined by Parliament, and because Parliament undoubtedly felt diminished in its capacity to consider the legislation radically when Bills were presented to it.

If referendums are to become a regular part of our system, as they appear to be, I hope that we can find a way of conducting them that will make it less likely that such problems will be produced by the results. That will not rule such problems out, but they should at least be considered before—and at the same time as—the people consider the matter.

7.7 pm

Ms Oona King (Bethnal Green and Bow): It has been enlightening—in popular speech, the word "not" would usually be used after phrases such as that—to hear the attitude of Conservative Members towards House of Lords reform. It goes without saying that there is no justification for the hereditary principle; it also goes without saying that the Tories will defend it until their dying breath.

We know that the Conservative party has a love of the hereditary principle that stretches back a long way. It is interesting—instructive, even—to note that, in the 17th century, the Tories were called the Abhorrers, because they abhorred the Addressers—the Liberals; credit where it is due—who demanded that King Charles II listen to their address of Parliament and give Parliament a whirl. That, naturally, sent the Abhorrers absolutely round the bend. To be frank, they went berserk because they were outraged that anyone could question the principle of hereditary power—and they are still taking the same line 300 years later.

I have to put it to Conservative Members that, if they are ever going to get the hang of this modernisation thing, they had better start now.

Mr. Grieve: Will the hon. Lady comment on why, leaving aside Conservative Members, 60 per cent. of the electorate do not seem to have got the hang of this modernisation thing in respect of the House of Lords, because they disapprove of the Government introducing the two-stage process without saying what the end product will be?

Ms King: It is clear that the British public disapprove of Tories having an in-built majority because their ancestors did some favour to some king, queen, duke or whoever 300 years back. I do not believe that that is a reasonable argument.

The Tory amendment mentions how the Government's plans will

"turn the House of Lords into an enormous quango".

As a journalist said yesterday, better a quango of the living than a quango of the dead. The current quango was put in place in the 12th century. The right hon. and learned Member for Rushcliffe (Mr. Clarke) said that, for some reason, the Government persist in reforming the House of Lords. Let us spell it out: the reason is the minor issue of democracy. That is why the Government are reforming the House of Lords. There are 626 hereditary peers, two of whom are from ethnic minorities and 16 of whom are women, which is less than 3 per cent.

I do not expect Conservative Members to take this argument seriously. Look at the Conservative Benches. Does anyone see a woman sitting there? I often look across at those Benches. On these Benches, more than 40 per cent. of the Labour Members present are women, because the Labour party is more democratic.

Mr. Tyrie: Is the hon. Lady aware that, in his new appointments to the House of Lords, the Prime Minister is making roughly the same proportion of women peers as did the previous Prime Minister? There has been no sizeable increase in the proportion of women being sent to the House of Lords.

Ms King: What I am aware of is the fact that the Prime Minister will reform the House of Lords, so that the current principles will no longer apply. I also note that Baroness Uddin, the recently appointed peer from my constituency, is the first Bangladeshi woman to be appointed. Unlike the Tories, the Labour party uses its powers to promote representative democracy.

I find the Tory position shameful, and I think that many Conservative Members do, too, and are unable to defend it. Could there be anything more like a closed list than the hereditary principle? When did the seat of Cranborne come up for election? Was there consultation? Who was on the shortlist? The hypocrisy is mind-boggling, and the transparency of the Conservative party's argument is almost indecent.

The closed list is in line with the basic premise of our democracy, which is the party system. The party chooses the candidate. I have never heard Conservative Members rail against that principle, because each and every one of them were elected under that system. Everyone in this Chamber was elected on that principle. The Tories support the hereditary principle for no other reason—except perhaps family attachments—than that it guarantees them an in-built majority.

The right hon. and learned Member for Rushcliffe made a great speech in favour of the status quo. His ancient forebears, the Abhorrers, would be proud of him. It would be funny if it were not so sad. He spoke about the need for legitimacy. How does he justify leaving the Tory hereditary in-built majority in place for the two or three years it will take the royal commission to report?

It is clear that that majority is illegitimate—as the right hon. and learned Member intimated—and it must go. It is also obvious that the Tories will continue to cling to their illegitimate power for as long as they can. That is shameful to us and to most of the country. I have heard my hon. Friends ask, "What more do they want?" It is crystal clear what they want: they want blood—blue blood. They will continue with their spurious arguments as long as they can to keep that unfair, in-built, hereditary majority.

In the meantime, if the Lords persist in voting to thwart the will of a democratically elected Government, they will be like turkeys voting for Christmas. I admit that that is a

cliché, so I was pleased to note that they may also be turkeys voting at—I stress at—Christmas. I should like to put on record my best wishes to them for a merry Christmas and a happy new year, because it will be the final new year of this or any other millennium in which the Tories will be able to use their illegitimate, hereditary power. I shall also be charitable enough to say that I hope they rest in peace.

7.15 pm

Mr. Andrew Tyrie (Chichester): I was surprised that the Labour party put reform of the Lords in its manifesto, because history tells us that it becomes a bed of nails in the end. I fear that that will also be the case this time round. Now that the Government have decided to reform Parliament, we must all decide what we want for the upper House.

The first matter to be clear about is whether we really want a second Chamber. I believe that it is right to have some check on the almost untrammelled power wielded by the Executive in this House. Many Labour Members disagree, but they have not said so tonight—although I think I noticed the hon. Member for Liverpool, Garston (Maria Eagle) nodding in favour. Three times this century, Labour has been committed to abolishing the upper House completely—most recently in 1983. Indeed, it was one of the founding thoughts of the Labour movement.

The Conservative party accepts the need for a constitutional check on the Executive's powers in this place. The trouble is that their power is becoming untrammelled. The restraint on that power has traditionally come from independent Back Benchers, but their numbers have been in decline for many years, and under new Labour they are an endangered species. I expect that they will shortly be extinct—there will then be only a few dinosaurs left, such as the hon. Member for Bolsover (Mr. Skinner), who usually sits just below the Gangway.

I do not want a weak Executive; I want a strong Executive, but an Executive who remain accountable to Parliament. Everywhere we see Labour circumventing Parliament, and slipping out of accountability to this place. By carrying on in that way, the Labour party has made the strongest possible case for bicameralism.

Mr. Lansley: Does my hon. Friend agree that, far from the debate on closed lists being a cause of war, as the right hon. Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan) suggested, it has shown that, although independent-minded Labour Back Benchers may have spoken against closed lists, none of them voted against them? It took the House of Lords to provide a check on the Executive's desires.

Mr. Tyrie: That is an excellent point. We have scarcely seen any independence or preparedness to speak out. As I said, the independent Labour Back Bencher is an endangered species.

The second matter we have to decide is how best to make an upper House effective. I believe that only with an element of democratic legitimacy can a second Chamber perform its job effectively in the 21st century. Without it, the Lords will rarely have the confidence to ask the Executive in this place to think again. We must go down the democratic route in reforming the second Chamber.

The third major issue we have to decide is the powers of the second Chamber and the balance between the two Houses. If the risk of constitutional gridlock is to be avoided, one House should have the last word, and it must be this House. The role of the second Chamber should not be to replicate what the Commons does, but to give the Executive time to think again on contentious issues, and to act as a constitutional long stop.

The Parliament Acts of 1911 and 1949, and the precedents that have grown up around them, form a sensible basis for the division of powers between the two Houses. None the less, there is a case for some change. The Lords have an absolute veto on only one issue: a Bill to prolong the life of a Parliament. Perhaps that absolute veto should be extended to cover other constitutional issues.

I have mentioned three issues on which I think it is important for the House to come to a view. Has the Prime Minister been thinking about the need to bolster accountability or for a balanced constitution? I do not think that he has for a moment. I do not think that he has any intention of improving parliamentary democracy, or of making the second Chamber more effective. That is why we are having reform in two stages, and why the manifesto said that stage one should be a

"self-contained reform, not dependent on further reform in the future".

That is why the manifesto is virtually silent about stage two. Labour was never serious about that.

I have never heard the Prime Minister put the case for a revising body, or for a constitutional long stop. All that I have heard from him, from time to time, is the language of class politics, some of which I have found nauseating. I am not convinced that the Prime Minister even believes that there is a case for an effective second Chamber: he has never given us any evidence to support the view that he has such a belief.

Mr. Gerald Howarth: What about this Chamber?

Mr. Tyrie: My hon. Friend makes a valid point. I sometimes am not sure whether the Prime Minister even believes in parliamentary democracy here: he is scarcely ever present. *[Interruption.]* The Prime Minister should come here more often if he wants us to believe that he takes the place seriously. That is what all previous Prime Ministers have done. His voting and attendance records must be worse than those of any other Prime Minister in British history. I have not checked that, but I shall be surprised if I am not right. Winston Churchill, after his stroke, may have rivalled the present Prime Minister's record, but, if so, his is the only case after 1953.

The country can learn something by watching the way in which the Prime Minister has treated his own party. Before the election, we were told that it was safe to vote Labour, because the Prime Minister had the party under his control. Well, the hon. Members for Brent, East (Mr. Livingstone) and for Falkirk, West (Mr. Canavan), and, in particular, the hon. Member for Cardiff, West (Mr. Morgan)—who is quite a moderate man, as I have got to know—can testify to what the Prime Minister's control over the party really means. It is a type of control that the British constitution can do without. It uses the language of modernisation to disguise a ruthless centralisation of power at No. 10 Downing street.

[Mr. Tyrie]

We are already seeing that centralisation in the discussion about the House of Lords. We do not have to wait to find out; we do not have to guess what the Prime Minister is going to do with an appointed quango; we can see what he is doing now. He has appointed 105 peers so far, at an annual rate of 67. That is three times the average annual rate of the past 40 years, and almost three times the rate achieved by his predecessor. *[Interruption.]* Labour Members are making some very banal remarks.

In fact, the Prime Minister has appointed more peers since coming to power than have been appointed at any comparable time during this century. Harold Wilson's second Administration—even boosted by the "lavender list"—only got the annual average up to 38. What is more, the Prime Minister's appointments are blatantly partisan. Fifty-four per cent. of those appointees are taking the Labour Whip. I have been able to check back only as far as 1958, but in that time, no Prime Minister has let the number in his party rise above 50 per cent.

Incidentally, the figures for new peers exclude a number of Cross Benchers who are listed as having donated more than £5,000 to the Labour party—and then there is the Islington mafia. No wonder the accusation of cronyism will stick.

Maria Eagle: Is the hon. Gentleman aware of the record of previous Prime Ministers from his party? Lady Thatcher created 205 peers, of whom 98 were Conservative, and the right hon. Member for Huntingdon (Mr. Major) created 160, of whom 75 were Conservative. We are talking about a percentage of about 50. The current Prime Minister's appointment of 54 per cent. of peers from the Labour party in the first year of the Labour Government goes nowhere towards redressing the 3:1 majority of the Conservative party in the House of Lords. Is the hon. Gentleman really suggesting that the number of Labour peers has made much difference?

Mr. Tyrie: Lady Jay has made it clear that, following the removal of hereditary peers, there will be a rough balance in the upper House, and, therefore, the Labour appointments can be explained only on a partisan basis. The figures that the hon. Lady gave make my point for me. I think that she will find that they are 47 per cent. respectively for the two most recent Conservative premierships—although I may be slightly out, because I made the calculations in my head while I listened to her. As for the 54 per cent. figure, which I calculated beforehand, this is a sharp increase on figures in the mid 40 per cent. range.

We are moving into an era of Blairite patronage: an era in which packing the House of Lords will be the norm. We are beginning to witness an unacceptable exhibition of prime ministerial power, which the country will start to notice. So far, people have not noticed it at all.

The Prime Minister says that there is no need to worry, because he will hand responsibility for all the appointments that we have been debating to an independent committee; but what confidence can we have in such a committee? We know from the Jenkins commission that it is possible to rig an outcome by appointing people who hold only one view. Why should we believe that there will be any more independence in the new committee than there is in the existing honours committee? We have been given no explanation to that effect.

The Prime Minister has breached all precedents, in regard to both the scale of his appointments to the House of Lords in the past 18 months and the proportion of Labour supporters whom he is putting there. He is breaching other precedents as well—for example, on consultation.

There is a long-standing precedent for consultation on House of Lords reform. On each occasion during this century when a Government proposed comprehensive reform—in 1910, 1948 and 1968—they invited the major parties beforehand to consult on the future of a second Chamber, but that has not happened this time. It is outrageous that this Government should proceed with fundamental reform of the House of Lords without at least trying to establish agreement with the major parties first.

The Bill threatens to eradicate all remaining independence of the second Chamber. That has stirred even a friendly press against the Prime Minister: even Alastair Campbell could not control it. So we have been offered a sop—and what is it? It is the sop of a royal commission to look at stage two reform. What confidence can we have in that? Labour will not even tell us its terms of reference; it certainly has not done so today. Will those terms of reference be to work up proposals for a largely democratic upper House, or would a wholly appointed Chamber do? Unless Labour rules out a wholly appointed House, the royal commission may merely decide to rubber-stamp the existing stage one proposal.

Then there is the membership of the commission. How confident can we be that it will not be another case of "packing", as we saw with the Jenkins commission? We must face the uncomfortable truth that royal commissions have a habit of kicking issues into the long grass. Stage one will be with us for a long time.

I am very disappointed in the Liberals. Unfortunately, only one of them is present, but I suppose that is better than none. They have decided to team up with the Government, and to abandon their traditional role as an Opposition party. What do they think that they have got out of their constitutional deal? I can only assume that the answer is proportional representation—the wrong kind—in regard to European elections.

Mr. Richard Allan (Sheffield, Hallam): For the moment I shall refer merely to the Human Rights Act 1998, devolution for Scotland and Wales, London government and the move towards regional assemblies, as those are the only examples that come to mind immediately.

Mr. Tyrie: Has the Liberal party influenced any of those decisions? Do they think that they will secure anything more as a result of their constitutional pact? Have they not understood that, when the Prime Minister says, "Closed lists it will be", closed lists it is?

Where has the right hon. Member for Yeovil (Mr. Ashdown) brought the Liberals? They have abandoned the proper and traditional role that they should have. They want a democratic upper House, but they should surely realise that that is the last thing that they will get if Labour secures stage one reform without our having first debated and clarified what stage two will contain, and when we will secure it.

Only one course is open to those who sincerely believe in the diffusion of power, and in the need for checks and balances in the constitution. Only one course is open to all of us who are suspicious of an over-mighty Executive, whoever may be in control of them. We should oppose the Bill, and we should call for Labour to abandon the artificial distinction between stages one and two. If we are to have Lords reform, let us have one Bill, let it come before the House after all-party consultation and let it be a Bill to strengthen the legitimacy of the House of Lords.

7.29 pm

Ms Hazel Blears (Salford): Just 18 months ago, I was elected by the people of Salford to try to ensure that their voice was heard in Parliament and, indeed, by Government. I have done my best in that regard, but it has become increasingly clear to me that one of the biggest challenges for all of us is the requirement to make politics relevant, and to ensure that our decisions here reflect the priorities of those whom we represent. If we are really committed to representing our communities, it is clear that we must revitalise our democracy, reinvigorate our Parliament and renew our constitution.

I have listened to the debate. I have heard the Opposition become more excited and animated than for some time. They certainly were at the beginning of the debate; time has perhaps taken its toll already. They have become excited and animated about the subjects that they have chosen to put in their narrowly worded amendment. They have become excited about the virtues of closed lists and open lists for the European parliamentary elections. They have become over-excited about the composition of the House of Lords and the need to retain the rights of hereditary peers to vote and to influence our legislation. Those may be the sort of issues that excite and animate the Opposition, but they are not the sort of issues that excite and animate the people whom I was sent to the House to try to represent.

Perhaps the best speech that I have heard this evening was made by the right hon. and learned Member for Rushcliffe (Mr. Clarke), who made the most down-to-earth, practical statement of the changes that he would like. The only difficulty was that he wanted to vote for the abolition of the right of hereditary peers to vote, but not yet. Perhaps we have the chance to persuade him to be a little more forthcoming in the way in which he approaches the issue.

Mrs. Laing: The hon. Lady may be surprised to hear that I entirely agree with what she has said. Has she thought of asking her Government, whom she supports, why we are spending so much time on those issues, which, as she rightly says, do not excite the people—who sent her, me and all hon. Members here to talk about education, health and the economy? Why are we spending so much time on those internal issues?

Ms Blears: We are spending so much time on those internal issues because, as I understand it, the issue of closed lists versus open lists has been debated on six separate occasions in the House. The Opposition have wanted to take up valuable parliamentary time in discussing those fairly arcane and irrelevant issues. If the Opposition show some common sense, we could get those matters through this House and then concentrate on jobs, the national health service and improving our communities.

There is a fundamental issue at stake in debates such as this one, about constitution and Parliament. We can discuss and pontificate all that we like, and I have no doubt that the debate will be vigorous and fascinating for those who are in the political class and for those who exercise power, but a whole swathe of people are completely disaffected and alienated from the political process. In recent times, there have been worrying developments in my constituency and in most of the great cities—in Manchester, Liverpool, Sheffield and London.

At the last general election, the turnout in my constituency was barely 60 per cent. Average turnouts at local government elections last year were between 20 and 25 per cent.; in inner-city wards in my constituency, they were between 11 and 16 per cent. I use that simply to illustrate that a large section of the community that we are supposed to represent in the House is completely disengaged from the political process. The longer that we spend discussing the virtues of closed lists and open lists and arcane internal politics, the more we exclude those people from our discussions, from deciding their future, from engaging in politics and from being part of what is an important political process.

There are people in my constituency—I was shocked at this—who genuinely do not know even how to vote. Generations have not worked and generations have not voted. They do not know what happens at the ballot box. A young person has asked me, "Will I have to write an essay on politics? Will the council be able to trace me for my poll tax debts?" That is the situation that we are in. People do not know how the system works. They are not a part of our democracy or of our constitution.

Mr. Allan: Does the hon. Lady accept that, to an extent, political parties must take the blame because, in safe seats, they tend not to work so hard? Does she agree that fairer voting systems, in which every vote counts, are an important way of ensuring that political parties work in those areas because they will need the votes?

Ms Blears: I represent the area where I was born and brought up and where I have lived all my life. No one works harder than me and my party to try to engage people in politics. It is a fairly superficial argument to say that proportional representation will be the answer to all the problems of engaging the community back in politics. This is a more fundamental issue about making people feel that they have a stake in their community, that they can affect what goes on and that they can make a real difference to their lives. Simply imposing another structure and another process is not the answer. We must fundamentally engage with people, use relevant and accessible language and express political ideas in a way that catches their imagination and fires their enthusiasm to be part of a political process.

I emphasise that the system of politics and democracy that I want is not looking backwards towards the House of Lords, or towards a system of privilege, power and elite, or to history. It looks to the future and engages the people whom I have talked about, making them feel that they can make a difference. It is vibrant, modern, fresh and alive. In this House, the sooner we stop talking simply to one another and having incestuous debates that do not relate to the people, the sooner our democracy will begin to live and be able to breathe new life into civic and parliamentary affairs.

[Ms Blears]

In their wider constitutional proposals, the Government have a dramatic programme for increasing citizenship and for making people feel that they have a stake in the affairs of their country. I look forward to the Government implementing their programme to begin to reconnect the people with democracy.

7.36 pm

Mr. Gerald Howarth (Aldershot): I listened with interest to what the hon. Member for Salford (Ms Blears) said and I disagreed with most of it, save to say that she is right to draw attention to the fact that there is less concern to be involved in political issues these days. The hon. Member for Sheffield, Hallam (Mr. Allan) is probably right to say that the political parties have something to do with that, but the way in which we organise ourselves in this House has something to do with it too. This is an extremely important debate. Far from being irrelevant, it goes to the heart of what we should be discussing in this House—the great constitutional issues.

The great issue that we are discussing tonight is the total absence of the Government's plan for an alternative to the revising chamber in this Parliament. That is a national scandal, to which attention has been drawn by all Conservative Members. There has been no acknowledgment from Labour Members of the constitutional vandalism that they are wreaking.

The measure that is included in the Queen's Speech is the seventh of a series of measures that are wreaking huge constitutional change. The Home Secretary referred to incremental change, which was a complete misnomer. The hon. Member for Glasgow, Cathcart (Mr. Maxton) had it right when he said that, in constitutional terms, this is probably the most radical Government this century.

The proposal to abolish the independent revising chamber of this Parliament, the other place, is the seventh measure. It follows devolution in Scotland and Wales, which is now all coming adrift; and the creation of a new tier of government in the English regions, which no one in my part of the world, the south-east, wants. They think that it is merely another unnecessary tier of local government. Together with what is going on in Scotland and Wales, it is stoking up the demand for an English Parliament. The Government have no idea of the whirlwind that they are going to reap from the changes that they are forcing on the British people.

The third measure is the incorporation of the European convention on human rights into our legislation. I have said this to the House before, and I apologise for saying it again, but it is important that Labour Members should understand: incorporation will change fundamentally the ways in which the House operates and is regarded by the people outside. That measure will put power into the hands of the judges in a way that they do not currently enjoy. So long as those judges reflect the prejudices of the Labour party, it may be content with that, but there will come a time when the judges do not reflect its prejudices and when it starts to realise that, instead of coming to the House to seek the redress of grievances, our constituents will make their way to the law courts.

The fourth change, which has been mentioned several times already in the debate, is the change to the voting system used in the European elections. It is no good for Labour Members, such as the hon. Member for Salford, saying that it is irrelevant whether we use open lists or closed lists, because it is a fundamental issue. The people of Britain have no idea that, in next year's Euro-elections, they will be able to vote not for an individual candidate but only for a slate. That will be their only opportunity.

My right hon. Friend the Member for Sutton Coldfield (Sir N. Fowler) has already listed the deficiencies of the Government's proposals for the European elections. I should like to ask the Minister what will happen if—as frequently happens in the Labour party—a Member of the European Parliament is removed from the party list? Will a substitute be found, or will a by-election be called? What will happen? What arrangements will there be to deal with circumstance such as that?

The fifth matter that I should like to deal with is the Government's flirting with proportional representation as proposed in the Jenkins report. The hon. Member for Salford did not seem to be as keen on proportional representation as some other Labour Members. I am delighted that there is some common ground between us on that issue, if not on others.

The penultimate issue—before that of abolishing the independent upper House—is the Government's further transfer of powers from this place to Europe. Those powers are hugely important. Transferring powers may not seem to affect people's daily lives, but that perception will change once the transfer affects people's businesses, prices, jobs and ability to hire others.

The measures that were passed in the previous Session, and the ones that have been heralded for this Session in the Queen's Speech, add up to a catalogue of constitutional vandalism, which raises the question: why are the Government doing it? I believe that the legislation is being proposed and passed because the Prime Minister has been searching for a big idea. Unfortunately, however, most of the dramatic reforms that were necessary to sort out the United Kingdom and put it back on its feet were made by my noble Friend Baroness Thatcher and by my right hon. Friend the Member for Huntingdon (Mr. Major). Trade unions have been reformed, and British industry is now among the most successful in the world.

Mr. Deputy Speaker: Order. Although I know that the hon. Gentleman has been in the Chamber for most of the debate, I am not sure whether he was here when I mentioned the fact that hon. Members have to speak to the Opposition amendment. Therefore, we cannot talk about the records of previous Prime Ministers and Governments.

Mr. Howarth: I accept entirely your stricture, Mr. Deputy Speaker. However, I was trying to make a point by asking why the Prime Minister wishes to create—in the words of my right hon. Friend the Leader of the Opposition—an "enormous quango". I think that, as we are examining a major constitutional change, that question is fair and should be asked. What is driving the Government to implement the change?

I contend—I hope that you will allow me to express my contention, Mr. Deputy Speaker—that the Prime Minister has invented the need for constitutional change, including abolition of hereditary peers' voting rights, because he wishes to make his mark in history and go

down as one of this century's great Prime Ministers. I do not think that he is likely to fulfil the ambition. However, he will certainly go down in history as a significant Prime Minister—as the man who destroyed the unity of a kingdom that, for three centuries, has advanced the cause of liberty, free trade and the rule of law. He will be remembered as the man who stumbled round like a mad axeman, scything away at institutions that have evolved over centuries and served the nation well.

Ms Oona King: Would the hon. Gentleman be prepared to go down in history as the first Tory to support ending the hereditary principle?

Mr. Howarth: I am not alone in supporting the hereditary principle, and I shall certainly be voting for it. I shall deal in a moment with that matter. This is a very serious debate. It should not be trivialised as, I submit, the hon. Lady trivialised it. Although she is a very charming lady, and I should be happy to work with her on other issues, this issue is not trivial.

We are already beginning to see the results of the whirlwind sown by the Government. Labour was pushed into third place in a European by-election in Scotland, demonstrating that the policy of trying to buy off Scottish separatism has failed dismally. I believe that, as a whole, the collection of measures introduced by the Government will cause discord throughout the Kingdom.

Another feature—it is singularly unattractive—of the Government is the ruthless manner in which they promote their policy and in which the Prime Minister attempts to impose his authority on Labour Members. Such practices are quite unlike those that were used by my right hon. Friends who previously commanded the House.

What about closed lists? As my right hon. Friend the Member for Sutton Coldfield said, only one Labour Member has spoken in favour of closed lists, whereas 21 have spoken against them. They have been afraid to vote against them. The experience of Mr. Ken Coates may be instructive. In the European Parliament, the Labour whip was removed from him because, as he wrote in the *Daily Mail* of 23 October last year:

> "I had refused to sign a gagging order and agree to keep quiet about my opposition to Tony Blair's plan to introduce a closed regional list system of proportional representation for elections to the European Parliament.
>
> It may seem an obscure issue on which to stand and fight, but its anti-democratic implications are so enormous that they must be resisted, come what may . . . I will not be gagged."

Mr. Coates's experience is instructive for two reasons. First, it shows that their lordships are seeking in another place to fight the Government on an important issue. They have the support of at least one Labour MEP who is prepared to stand up. Secondly, it shows the Government's Stalinist approach to anyone who stands in their way.

The Government's plans for the other place are an extremely important issue. I do not oppose the Government's plans simply because the Prime Minister wishes to stuff the other place with his cronies, but support the other place for other reasons. The first—which I have not said before this debate—is that, as a Conservative, I believe in tradition. I believe that it is incumbent on the Government to prove that the system that has served the United Kingdom so well for so many centuries is now uniquely broke and needs fixing. I do not believe that that is true.

I believe that the British people value tradition, pageantry and the rich tapestry of tradition that is embodied by the other place and was shown so emphatically last week, during the State Opening of Parliament. I tell the hon. Member for Salford that I suspect that far fewer people will switch on their tellies for this debate than turned them on last week to watch the pomp and circumstance of the State Opening.

Maria Eagle: The hon. Gentleman seems to respect the tradition of the other place, but does he not really respect the fact that it has an in-built Conservative majority?

Mr. Howarth: That was a cheap remark; I do not believe that at all. I am arguing passionately in favour of tradition because I believe in tradition.

I believe also that the other place provides our nation with continuity. Our system of government is admired around the world precisely because it gives us a sense of continuity. If the other place is to be composed only of Tony's cronies, stuffed full of the Prime Minister's appointees, they will all—apart from a few token young people—be middle aged, The great advantage of the lottery of accident of birth—which is far better than the lottery of being the Prime Minister's friend—is that it often provides the other place with very young, very able, blood.

Ms Blears: Will the hon. Gentleman give way?

Mr. Howarth: No; I do not have much time.

Some of the best speeches that I have heard in the other place have been made by—

Helen Jones (Warrington, North): Will the hon. Gentleman give way?

Mr. Howarth: No, I shall not; time is running out.

Some of the best speeches in the other place have come from young hereditary peers. It may not be fashionable to support the hereditary principle, but I support it because I believe that there is some value to this nation in continuing with that tradition. It is one of those intangible benefits to the nation that we throw away at our peril.

A further reason for supporting the other place is that, in that House, people are beholden to no one. They are independent. If they take the Conservative Whip, fair enough, but many times they vote against. In 1985-86, their lordships voted against my Government 22 times. In 1989–90 they did so 20 times. In the past Session, the upper House voted against the Government on 31 occasions. If we take out the five times that they dealt with the closed list-open list argument, that leaves 27. Averaging that out over 12 months rather than the unusually long 18-month Session that we have just had, we reach a figure of less than 20. Their lordships have not exceeded the voting pattern that they showed when the Conservatives were in power.

The final reason is that, as I said to the Home Secretary, removing the hereditary principle from the upper House unquestionably puts the sovereign at risk. The Labour party will have to explain that.

The Government have made no case for an alternative to that which they wish to destroy. It is incumbent on them to explain to the British people what they intend to

[Mr. Howarth]

put in its place. Opinion polls have shown that 68 per cent. of the public—73 per cent. of 18 to 24-year-olds—want the Government to come up with a proposal before—

Mr. Deputy Speaker: Order.

7.52 pm

Shona McIsaac (Cleethorpes): The hon. Member for Aldershot (Mr. Howarth) will probably be surprised to hear that I like the tradition of piers, but the only one that I like is the one in Cleethorpes, which gives fine views over the River Humber and has a nice night club. That pier has about as much right to rule over this country as those next door.

On a sadder note, I want to break some bad news about a tradition that has bitten the dust. Poor old Lord Snooty—does anyone remember him?—is no more. He has been banished from the pages of the *Beano* because he is not relevant to kids today. Kids today? I did not identify with Lord Snooty 30 years ago. I was more of a Bash Street Kids girl or Minnie the Minx—I had the red hair, the boots, the bonnet.

The Tories in the House of Lords should have seen the writing on the wall, but they did not. They signed their own death warrant by voting down the European Parliamentary Elections Bill five times. I have heard some spurious and fallacious mutterings from the Tory hereditary peers—repeated in the Opposition amendment—about that Bill. All the drivel—and it is drivel—about people in this country voting for a person rather than a party is outrageous. We have to get real. Few people in this country voted for a person in the general election. They voted for the party banners that we stood under. I am under no illusions about that.

Dr. Liam Fox (Woodspring): Will the hon. Lady give way?

Shona McIsaac: No, I have only a short time.

I was voted in because I was a Labour candidate. Few people, if any, voted for me as a person. I have a sneaking suspicion that my husband voted for me because I was me, and I voted for me because I was me—but if I had not been the Labour party candidate, I would not have voted for me either. It is all about parties.

I have no problems with closed lists. There we go—we have found a Back Bencher who likes closed lists. I challenge anyone who says that they are here because of who they are. It is so arrogant. They should give up the party tag, stand as an independent and see who wins. An official party candidate will every time.

Mr. Grieve: Will the hon. Lady give way?

Shona McIsaac: Okay, just the once now.

Mr. Grieve: I seem to have heard a great deal in the Chamber during this Parliament about the hon. Member for Tatton (Mr. Bell). It has been suggested that he was elected because of the rejection of another candidate who was standing for his party, which would not otherwise have been rejected.

Shona McIsaac: I was talking generally—and after all, the other parties withdrew from that election. The hon. Gentleman could have got the hon. Member for Aldershot, who is behind him, very worked up with the mention of the word Tatton.

I was elected 18 months ago because the majority of people in this country wanted a Labour Government. It was not Shona McIsaac they were voting for.

The people of this country thought that they had got rid of the Tories last May. They did not. The Tories are alive and well, sitting on their red Benches next door and waiting for their sons—it is largely sons—to inherit. I cannot accept them lording it over us in that fashion. It is undemocratic that 600 families can rule by accident of birth alone over 60 million people. It is out of date.

The hereditary peers are hardly representative either. It has already been said tonight that there are only 16 women among the hereditary peers and two from the ethnic minorities. Looking a little deeper, they are all from one social class. We do not see them down at Kwik Save or putting a fiver on the lottery. We are far more likely to see them falling off their horse at a local hunt. They do not scrutinise legislation, they block. It is simple: Labour has a majority in the House of Commons; the Tories have a majority in the House of Lords. So, they are going to block, because they believe that it is their right—indeed, their hereditary privilege—to block anything that us oiks, Bash Street Kids, Minnie the Minxes and Dennis the Menaces do in this Chamber.

Labour has been accused of class war. Some of the worst examples of that that I have come across have been from those defending the hereditary principle. I got a strange little pamphlet in the post today called "In Defence of Hereditary Peers". Here is the class war clincher from that document. It describes the voters of this country as

"an uninformed and ill-educated electorate."

If that is not class war, I do not know what is. It is saying that the Lord Snooties next door can lord it over us "uninformed and ill-educated"—that probably just means that we did not go to Eton—Bash Street Kids in the House of Commons. We should know our place and should not forget it.

Various opinion polls have also been mentioned suggesting that people did not want to get rid of the hereditary principle. I tested the waters in Cleethorpes—not literally; I did not jump off the pier or anything like that—asking people what they thought. Almost 70 per cent. said that they wanted to scrap the voting rights of the hereditary peers. That is a higher percentage than the Labour and Liberal Democrat votes combined, so there must be a few Tories who want the measure, too. We must get a few things clear. There are more than just Labour and Liberal Democrat supporters who want the change. Plenty of Tories have said that we have to get rid of the principle.

A lot has been made of Labour's policies. Getting rid of the voting rights is just a first step. That is made perfectly clear in our manifesto. The detailed reform will come later. We also made it clear that there will still be a second Chamber to act as a check on the Executive and

the Commons. We are not getting rid of the House of Lords; we are just getting rid of the voting rights of the hereditary peers.

Our policies also state that no party will have an overall majority in the House of Lords. Surely that is fairer. When the House of Lords voted against the previous Government, it was because coalitions were formed with other parties. At the moment, the Tories in the House of Lords have nobody but themselves to convince when they want to vote down Government legislation. I cannot accept that. Some of our detractors parrot the line that we have not said what would replace the hereditary peers, but we do not need to replace them. If we scrapped the hereditary peers, the House of Lords with about 500 Members, would still be one of the biggest second chambers in the world. Surely we can work with that.

I do not know whether Lord Snooty's fictitious family had been around for 800 years, but if the *Beano*, which is a far more loved institution than the House of Lords, can get rid of Lord Snooty, the parliamentary Bash Street Kids can certainly get rid of hereditary peers. They are unelected, undemocratic and, like Lord Snooty and his pals, they have had their day.

8 pm

Mr. John Wilkinson (Ruislip-Northwood): Hearing the admirable speeches of my right hon. Friend the Member for Sutton Coldfield (Sir N. Fowler) and my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) made me remember what an excellent vintage 1970 was in parliamentary terms. Their speeches reminded me of a delicious auslese—only when the grapes have been nipped by the first frost of political winter does their true savour come out. It did in full measure and how privileged we were to experience it.

Madam Speaker's selection of the loyal Opposition's amendment was particularly wise. The Liberal amendment, rather like the speech of the right hon. Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan), was prolix in the extreme. Our amendment focused on the three key constitutional issues at the heart of the Queen's Speech: first, the voting system for the European parliamentary elections; secondly, the nature of the House of Lords and the Government's determination to press ahead with the abolition of voting rights for the hereditary element before the House or the country have agreed on what is to replace them; and thirdly, the rules for the conduct of referendums—a subject on which my hon. Friend the Member for West Dorset (Mr. Letwin) is a particular expert. I am glad to see him on the Front Bench.

I shall take as my point of departure not the speech by the hon. Member for Cleethorpes (Shona McIsaac)—the quicker we move on from that the better—but the observations of the Home Secretary. He said that the justification for the proposed radical constitutional changes was that they would strengthen the nature of citizenship and involve people more closely in the determination of the decisions that affect their lives.

In respect of reforming the House of Lords, I do not see how that can possibly be the case, at least in the interim, if we are optimistic; for very much longer, if we are pessimistic, we shall have to endure an upper House of placepersons. Is that what the public want?

I have never encountered in any general election campaign—and I have fought a few—any elector calling for reform of the upper House. People have called for better living standards and improved health services. My electors have just signed a petition, with 80,000 signatures, against the dismemberment of their local hospital. People have called for better pensions and improved standards of education, but I have never detected the call for class warfare that was so odiously expounded by the hon. Member for Cleethorpes, who so rapidly made her departure from the Chamber.

Mr. Grieve: Does my hon. Friend agree that the electorate have also called for a better standard in the drafting of legislation—a matter that has not been brought before the House?

Mr. Wilkinson: My hon. Friend is right about that, as he is about so much. He exemplifies the need for an effective second chamber that has the authority of the people's support behind its composition.

Helen Jones: Will the hon. Gentleman give way?

Mr. Wilkinson: No.

The pernicious element in our political system is patronage, not primogeniture. It is certainly not the class system which is an irrelevance. We have only to walk along the Royal Gallery or look up at the west window of Westminster Hall to realise how irrelevant class is. We are all mortal and we all face the same dangers in combat as the many people from the other place who laid down their lives, but we have a common duty to serve our fellow citizens better. That should be the test. I am not at all convinced that an upper House of appointees would do the job better—far from it. I would advocate a senate in which 100 per cent. were elected on a different franchise from ours and for fixed terms. Such a model might also find favour with my right hon. and learned Friend the Member for Rushcliffe.

The worst of all political motivations is jealousy, which is corrosive. The democratic process is about mutual respect—respect for those in office and, among those who hold office, respect for those who put them there. Those who put them there should do so freely through a franchise and a ballot system of which they approve and which maximises individual choice and accountability. That is why the closed list system that the Liberal Democrats love so much is so deplorable. How deplorable it is that they should have sold their independent soul to the Labour party and that a once-great party that governed this country for decade after decade should have capitulated root and branch to the socialists.

Moving on to the growing importance in our constitution of referendums, I shall highlight one way in which contemporary circumstances demonstrate why we need a proper code of conduct for referendums. Right hon. and hon. Members will recall that in the last Session we considered the Greater London Authority (Referendum) Bill. The referendum was flawed because there was a single ballot paper with two questions:

"Do you approve of a directly elected mayor?"

and,

"Do you approve of a directly elected assembly?"

The issues should have been separated, but they were not. We argued that to put such a question in advance of the legislation and before we knew what would be the role and functions of the authority was dishonest, and so it has

[Mr. Wilkinson]

proved. We heard today that one of the central responsibilities of the mayor—to control London Transport—has been taken away from him. So the electorate of London were voting on spurious grounds. That is why the recommendation of the Neill committee should have been encapsulated in the legislative programme and enacted in this Parliament.

We are seeing a diminution rather than a deepening of democracy. I revert to the theme that is, I believe, central to the thoughts of us all, especially about the conduct of European affairs—we need a deepening of democracy. We look, perhaps rather pathetically, to the European Parliament better to control the European Union. We know that our hopes are vain and that the European Parliament is probably more interested in its perquisites than in doing a proper job.

The European Parliament, however, must at least be elected properly, especially because it has a co-determination role in the European Union and because, as we know from experience, the European Union will increase its budget year on year—the budget will increase by 19 per cent. in the next few years.

We need to be able to choose individuals who are clearly the best people for the job. We need on occasion to be able to vote across party lines. We may know what the "selectorate" do not know—that an individual has a past, a character weakness or a lack of intellectual capacity that should debar him or her from elective office. However, under the list system, the electors can do nothing about that.

Maria Eagle: Does the hon. Gentleman accept that argument applies to hereditary peers? No one has the chance to decide whether hereditary peers are fit to serve in a legislative House.

Mr. Wilkinson: First, I suggested for the future a wholly elected senate. Secondly, the upper House is a revising chamber; it has no power over money Bills or budgetary matters, which is of crucial significance.

I hope that, in judging these constitutional matters, people will recognise that, in a true democracy, representatives must know their electors and their electors must know them. Currently, we hardly ever see Members of the European Parliament. They seldom hold surgeries and are not involved in the day-to-day matters about which people really care. As I said, the electorate have more important concerns—their standard of living, their jobs, their health and their local schooling—than the constitutional monstrosities that the Government are proposing in the Queen's Speech.

8.13 pm

Miss Melanie Johnson (Welwyn Hatfield): During such a debate, for most of which I have been in the Chamber, I am especially proud to be on the Labour Benches—not only because of the quality of Labour Members' arguments, but because of the wider setting. My right hon. Friend the Home Secretary was right to begin his speech by placing the subject in a much wider context and I was disappointed that so few Conservative Members picked up on that.

Like Members of Parliament, the constitution exists for a purpose. As my hon. Friend the Member for Salford (Ms Blears) said, Members of Parliament are here to help people in their ordinary lives outside the House of Commons and the other place. I have been helped in my intention to be brief by the fact that the Tories have not mentioned law and order, one of the many matters which the constitution exists to uphold, but which the official Opposition removed from the scope of the debate by not referring to it in their amendment.

This morning, I was sitting not on these green Benches but on a magistrates' bench. I was dealing with people who had first offended at the age of 13 but who were still going through the offending and imprisonment routine in their 30s and 40s. One of the reasons why we are discussing the constitution is so that we can make the right decisions, implement the right systems and processes and allocate the right resources to tackle matters such as youth offending. I am disappointed that the official Opposition have not enabled the many Labour Members who wanted to talk about the wonderful things that the Government are doing on that score to say more about how we have the answers to many of the law and order problems that everybody outside faces.

The regional lists are closed but, as many hon. Members have said, they are not as closed as hereditary peerages. Indeed, they are less closed than the lists used when Tories went on the chicken run from, for example, St. Albans to Hitchin and Harpenden, neither of which constituencies is a million miles from mine. I know that the electors of St. Albans wanted to vote in my hon. Friend the Member for St. Albans (Mr. Pollard), but I am also sure that many of them wanted to say no to the former Member for that constituency, the right hon. Member for Hitchin and Harpenden (Mr. Lilley). Like others, they found it disappointing not to have such a choice.

Selection in the Labour party is very democratic. I was on a short list of six candidates, several of whom are now also Members of Parliament. However democratic that process, electors may nevertheless vote for only one party, so it is ridiculous for Conservative Members to make a fuss about the European elections when they have lived with the system for Westminster elections for so many decades.

Conservative Members seem to be arguing that, because we are not doing enough about the hereditary principle, we should do nothing at all about it. I want to know what has happened to democracy and its principles. Why has the word "democracy" not been used more often in this debate? Perhaps Conservatives are uncomfortable with democratic means of getting their way in Parliament. Dubious means have been used in the other place to frustrate legislation. Indeed, I am sure that dubious means would have been used to frustrate legislation on the abolition of hunting, for example—the other place would have come to a different conclusion from that of the House of Commons. Moreover, as other hon. Members have asked, to what extent do those with hereditary peerages represent women and the ethnic minorities?

Conservative Members have spoken about tradition. I expect that similar arguments were used to justify slavery or other practices that were once seen as traditional but have since been recognised as inappropriate in a more modern society. How can we justify a second chamber in which a large number of the people making

decisions are there by virtue of their birth, in which women are under-represented and in which ethnic minorities are hardly present? As an argument, tradition cannot have any weight.

Mr. Lansley: I recall that the Earl of Shaftesbury was a Conservative, so I do not think that the hon. Lady can arrogate to the Labour party the responsibility for abolishing slavery. Will she deal with the real argument about the House of Lords? The Labour manifesto said that abolition of the voting rights of hereditary peers would be a self-contained step. Conservatives believe that the step should not be self-contained; before it is taken, a clear decision must be made on what should come next.

Miss Johnson: I will be delighted to move on to that point in a moment. First, it was explicit in the Labour manifesto that this would be a two-stage process. In voting for a Labour Government—as people did with a massive majority—it was clear that people would be voting for a two-stage process, of which only one stage would be completed during this Parliament.

As has been said, we cannot reject hereditary Members. We are stuck with them by right of their ancestry—regardless of whether they are useful, appropriate, mad or sane. Some peers may fit into any one of those categories.

The two-stage process has been raised, and it is an interesting point. The Home Secretary made a powerful point about what you would do if you found that your dentist—or the pilot flying your plane—was in that position of responsibility as a result of a purely hereditary principle and had no relevant skills.

Mr. Grieve: Will the hon. Lady give way?

Miss Johnson: I am answering the point made by your hon. Friend the Member for South Cambridgeshire (Mr. Lansley). If a dentist or surgeon worked on a hereditary basis, Opposition Members would not say, "Let us wait and see how it turns out before we decide whether that person should go on doing the job." That is the point that you are putting.

Mr. Deputy Speaker (Mr. Michael Lord): Order. I am not putting any points. Would the hon. Lady try to use the correct parliamentary language?

Miss Johnson: Thank you, Mr. Deputy Speaker. I will endeavour to do so.

If we do not have the two stages, we will not move forward on the hereditary principle; instead, we will maintain something that we feel is dangerous, inappropriate and out of place. The Opposition argue that we should move forward in one fell swoop and not in two stages—a proposal for which we have electoral support. My hon. Friend the Member for Linlithgow (Mr. Dalyell)—who is not in his place at the moment—likened a royal commission to a broody hen sitting on china eggs. My grandparents had hens, and that was quite an effective manner of getting them to lay eggs. I would not want to indulge in my hon. Friend's pessimism on a royal commission.

The right hon. and learned Member for Rushcliffe (Mr. Clarke) talked about moving in one fell swoop and about having an exact plan. That is the perfect ploy for delay, which must be the reason the Opposition proposed it. They know perfectly well that if this process has to be carried out in one fell swoop, it is highly unlikely to take place. They are keen to see a second chamber without any legitimacy, and one in which the hereditary principle is still very much alive and well. That would be ideal for the Opposition.

One could say that the House of Lords was built by the Tories, for the Tories, to keep the Tories in power. It is not an independent second chamber. We have heard evidence today of how it has been biased against Labour Governments. The built-in majority results in limited changes when the Tories are in power, but massive opposition when the Conservatives have been removed by the people from Government and do not have their previous legitimacy in this Chamber.

We can see why the Tories want to maintain the present position; their opposition is self-interested. This is about the class war, it is about the Conservatives making sure that they have a mechanism to try to defeat the will of the people of this country and about the rights of the House of Commons to have its say as the democratically elected Chamber.

Like many others, I am happy to see a second chamber—our proposals are not about removing the second Chamber altogether. However, we can make this first step in a good way to show that we are modern and looking to the future and that we do not want to support a principle that has no validity in a democratic system. We can move towards getting rid of hereditary peers and towards a discussion, through a royal commission, of how we make an effective second chamber that we all need in order to be an effective House of Commons.

8.25 pm

Mr. Dominic Grieve (Beaconsfield): I found some of the parts of the speech by the hon. Member for Welwyn Hatfield (Miss Johnson) rather obscure, but one of her points went to the heart of our discussion. She said that the purpose of the constitution was to deliver what people wanted. From that, I inferred that she wished to see the constitution altered, so that she—and, by implication, her party—could deliver the policies that they thought were correct. I have to say that that is never how I have viewed the purpose of a constitution.

Miss Melanie Johnson: That is not what I meant in the slightest. I meant that the constitution needs to relate to the things that mean something to people in their ordinary lives—education and health, for example. The policies do not matter particularly, but the constitution must be capable of delivering the things that the electorate as a whole want.

Mr. Grieve: I am grateful to hear that from the hon. Lady, but she still misses a central point. One of the values of a constitution is to provide a framework within which decisions are taken which command as much approval within the community as possible, so that those decisions which are often inimical to certain groups within the community nevertheless command respect and are accepted. That applies as much to decisions taken by Conservative Governments as to those taken by Labour Governments.

[Mr. Grieve]

That is why I believe so strongly in a constitutional monarchy, which I believe provides the framework within which people can relate and have a common focus of loyalty, which is so important where there are other areas in which we may have disagreements.

It is with that in mind that I approach the whole question of constitutional reform. In the past year, I have spent many hours in this House debating the Scotland Act—I think we clocked up 190 hours. We have debated also the Human Rights Act—which, unlike some of my right hon. and hon. Friends, although they had good reasons, I supported and broadly approved of—the Government of Wales Act and a number of other constitutional measures.

It is perfectly proper for the House to consider constitutional reform, but we would do well to have in mind when we do so the purpose of what we are doing and what we are trying to achieve. In that context, there was a great deal of open scrutiny of the Human Rights Act. I pay tribute to the Secretary of State for Scotland, the right hon. Member for Glasgow, Anniesland (Mr. Dewar) for the dialogue and debate which undoubtedly improved the Scotland Act. In contrast, the Government of Wales Act was one of the worst-drafted pieces of legislation I have ever seen, and its hallmark was precisely the reluctance of the Government's ministerial team to engage in any debate on it.

We are now facing a new raft of legislation. The question of the reform of the House of Lords will clearly attract a lot of emotion; we have heard quite a bit in this debate. I start from the premise that we need a second chamber—that seems to command a considerable measure of agreement in this House—that a revising chamber is important and that a chamber which can keep the lower House, the House of Commons, in check and make it think again, even if it will not ultimately stop legislation, is also important.

Unlike some Labour Members, I do not believe that unbridled democracy, which, of course, neither the United Kingdom nor any other country has, is an unbridled good. Ultimately, there must be checks and balances in any working constitution. Interestingly, it was from the Labour Benches that we heard that point, and I pay tribute to the hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Soley) for pointing out that the powers of the Commons to obstruct—not prevent—legislation, and to make the Government think again have been consistently eroded over the past 30 years. The result is bad legislation, which, ironically, places a greater burden on the upper House. It must do our job for us, and that creates more frequent confrontation than should be necessary.

The upper House is undoubtedly an eccentric institution. It has one great merit—historical continuity. However, I accept that that could be preserved even within the reforms that the Government have suggested. At the same time, the great virtue of the other place is undoubtedly its independence. That independence arises not only from the eccentric fact that it contains people who have not been placed there, who depend on no one and who are selected from a substantial and random pool, but because its members bring to bear a range of independent ideas, backgrounds, professions and jobs. The diversity is considerable. One need only consider the contributions made by several hereditary peers to note that they often turn out to be of considerable value. We ought to pause and think about that before we embark on any programme of reform.

We should also consider independence of party. Party allegiance will count for something, but the peers are not ultimately dependent on party. The hereditary peerage is beholden to no one. We should take that into account in considering how, if we are to get rid of the hereditary element, we can improve on it.

Let me offer briefly two possibilities. First, if we are to have an elected second chamber, which has much to commend it, the powers of the second chamber will be circumscribed in relation to the powers of the first. The likelihood is that the second chamber will therefore attract politicians for whom, I hesitate to say, it will not be the first choice of where to go. Far from the elected element representing diversity, we may end up with an elected element composed of placemen who want to go there because it is rather a soft touch. It may well attract those who fail to get into this House. Some creative thinking is required on that point if we are to embark on reform towards an elected second chamber.

If we are to stick with an appointed second chamber, we shall face considerable problems. It is no good the Prime Minister promising that some nebulous commission will make the appointments. We need to get down to the nitty gritty of what will happen in practice if we are to understand how appointments will take place in a way that will enable independence of thought to flourish. If we do not, we shall end up with a chamber of placemen. That is undesirable, but surmountable. Surely we must debate that issue.

I freely acknowledged during our debates on the Scotland Act 1998 that I had learnt a lot from the process of debating. However, we seem to have reached the stage at which debates on Bills involve a statement from the Government Front Bench, endorsed by clone-like comments from the Back Benches and ritually opposed from the Conservative side before they go through. It is no wonder that Bills return with hundreds of amendments from the upper House when it has considered the detail. We must consider how we can improve legislation, rather than simply ritualistically deciding that one part of the upper House offends some susceptibilities and should be got rid of. In fact, if our correspondence bundles reflect the position, the vast majority of the electorate find the House of Lords a wholly innocuous institution that generates many benefits.

Shona McIsaac: The hon. Gentleman mentioned his postbag. I have had a number of letters about the upper House and fox hunting. People who wanted hunting abolished believed that the Tory hereditary peers in the House of Lords would thwart any legislation. People in the country certainly understand that point.

Mr. Grieve: The Bill in question never went to the upper House, having failed to get through the House of Commons in the time allotted to it. Even if the upper House had rejected a Bill, there is no doubt that, if it had been re-presented, it would have got through. The checks and balances should not disappear. I fail to follow the rationale of the hon. Lady's argument.

I would be perfectly well prepared to engage in vigorous and interesting debate on how to create a reformed second chamber, but I will be blowed—and my

constituents will be blowed, too, if I read their letters and the opinion polls correctly—if I am to sign away an element of the upper House's independence that has made some interesting and amusing contributions, and some of great benefit to our national life, when no one on the Government Benches is prepared to suggest how the replacement will improve on the current position.

Far from encouraging us to engage in debate, and to look at the big picture, the Government are asking us again and again to consider narrower and narrower issues. When the public—and, sometimes, even hon. Members on the Government Back Benches—point out that the Government are going off the rails, as with the closed list for proportional representation for next year's European elections, they are ridden over roughshod. We are told that it is all the fault of the upper House, but it is, in fact, clearly articulating the disquiet that the electorate are registering.

I hope, for the sake of my country, that the Government will go down as a successful reforming Government. They have come in with a lot of ideas, but after 18 months, evidence has emerged with startling and hideous clarity that they are blinkered against any reasonable debate. Above all, they are blinkered by their own spin doctors against articulating their fears or the drawbacks that they see in their own policies. There are one or two notable exceptions to that, which is why I singled out a few Ministers earlier.

The Government's proposals are dreadful. They fail to address the big picture, if I may use the Prime Minister's phrase. Until they do so, the Opposition are entitled to oppose them. I am sorry to say all this to the Under-Secretary of State for the Home Department, the hon. Member for Vauxhall (Kate Hoey), for whom I have a great deal of respect. I wish that one or two other Ministers were present. When Governments embark on policies that I believe to be highly objectionable, it is my duty to oppose them. The Government will, at the end of the day, have the majority to carry their proposals, but the development of the debate is extremely valuable.

Historically, those who have believed that they could ride roughshod over others to achieve their aims have tended to come a cropper. I am mindful of the comment made to King Henry V when he thought that he was on his way to conquer France. The Duke of Burgundy said that the King had all he required to achieve that, but that he would, by the time he achieved it, be heartily tired. Unless the Government think again, I intend to ensure that that is exactly how they feel.

8.39 pm

Maria Eagle (Liverpool, Garston): I want to concentrate on the reference in the Opposition amendment to reform of the House of Lords, although the other two issues raised in the amendment are equally important. I have been struck during this debate and previous debates by one word that we hear time and again from Conservative Members. It was used by the Leader of the Opposition when he opened the debate on the Gracious Speech last Tuesday. It has been used constantly today, not least by the hon. Member for Beaconsfield (Mr. Grieve) and the right hon. Member for Fareham (Sir P. Lloyd). The word in question is "independence".

I wish to explore what is meant by that. I have made several interventions to try to tease out what the Opposition mean when they use that word because it can have several meanings. What is it that is independent about the current upper Chamber? How representative is it? What is its composition? What does its voting record over the past few decades show?

I ask the House's forgiveness in advance for giving percentage figures that are inherently boring, but I hope that hon. Members will bear with me because they have an impact on one's view of the upper Chamber's independence. How representative are the current members of the upper Chamber? More than half of them are hereditary peers—626 out of 1,166. Of those, 299, or 47.7 per cent., take the Tory Whip. Some 17, or 2.7 per cent., take the Labour Whip, and 24, or 3.8 per cent., are Liberal Democrats, Another 198 are Cross Benchers, who swing all ways in casting their vote and are not reliable in a party sense, and they form 31.6 per cent. Some 88—or 14.5 per cent.—have no affiliation, not even to the Cross Benches.

My hon. Friends have already pointed out that less than a third of 1 per cent. are from the ethnic minorities and, of the hereditary peers, only 2.5 per cent are women. For the benefit of Conservative Members, I should point out that the two latter facts narrow the range of experiences on the basis of which those who sit in the upper Chamber can speak and vote. The value of having a diverse range of people in any legislature, including this House, is that they bring wider experiences of life to the consideration of legislation. That is an important point that is not often made.

At the general election, the Labour party experienced one of the three biggest landslides this century. It was the best result the party had ever had. The Conservatives will not wish to be reminded, but they had their worst result since 1832. What impact has that massive change in political views had on the independence of the House of Lords? Well, 47.7 per cent. of the hereditary peers still take the Tory Whip. In other words, the landslide had no impact whatever on the composition of the upper House.

Some Conservative Members have defended the hereditary principle, but others seemed somewhat embarrassed and said that they would vote to get rid of it, given the opportunity, in favour of a senate or something. It is a democratic outrage that an election can demonstrate such a change in political opinion but that the impact on the other place is zero. The hereditary peers are representative only of an old aristocratic section of society. I do not wish to sound prejudiced, but they overwhelmingly represent one social stratum and one type of life and experience. That does not fit my definition of independent. Most of them are conservative, if not in party affiliation, in experience, background and life style.

What of the life peers? I have heard it said that the life peers restore the balance and make the hereditary aspect acceptable. The current Chamber contains 531 life peers. The Tories have 173, or 32.5 per cent.; Labour has 158, or 29.7 per cent.; the Liberal Democrats have 45, or 8.4 per cent.; there are 120 Cross Benchers, or 22.5 per cent.; there are nine Law Lords, or 1.6 per cent.; and the bishops make up 4.8 per cent. Even among the life peers, the Tories still have the biggest group. Labour has fewer life peers, but the number is closer to equality with the Conservatives. Cross Benchers form the next biggest group, and the others make up the numbers.

The Tories still have the most peers, whether life or hereditary, despite the fact that they went down to their worst defeat since 1832. While the hereditary peers still

[Maria Eagle]

exist, the Tories can call on them whenever they want to ensure victory in the upper Chamber.

That is not what I call independence of either representation or composition, although the Conservative party has a tendency to use the word "independent" interchangeably with the word "Conservative". We have all come across that on local councils, where they also used to use the word "ratepayer" to mean Conservative.

What have the peers done over the years in their voting record to indicate the independence that the Conservatives seem to value as their most important contribution? I have a list of important defeats inflicted on Governments by the House of Lords since the Liberal Government of 1909, and it makes illuminating reading. My conclusion, from reading the list, is that the upper Chamber has defeated Labour Governments much more often than it has defeated Conservative Governments and, when we used to have Liberal Governments—a long time ago now—the Lords defeated them much more often than they defeated Tory Governments.

The defeats that the upper Chamber has inflicted on Labour and Liberal Governments in the past have also been more extensive and on much more important pieces of legislation. The upper Chamber has also tended not to press Conservative Governments so far, so defeats are inflicted but entire Bills are not lost. A further important aspect is that defeats inflicted on Labour and Liberal Governments chimed in with the Conservative Opposition of the day.

Mr. Grieve: The hon. Lady is making a fascinating and thoughtful speech. However, she is surely not suggesting that the upper Chamber, whether elected, appointed or hereditary, should operate by trying to achieve equality in the number of times that it rejects the legislation introduced by different Governments.

Maria Eagle: Of course I am not suggesting that—it would be nonsensical. I am trying to illustrate that the composition of the upper Chamber becomes important when we examine how it exercises its powers. I shall give some examples.

We have all read in history books about the crisis that brought about the first of the Parliament Acts, when the upper Chamber decided to defeat the Liberal Government's Finance Bill. The first Labour Government were defeated on proposals to nationalise the mines, and those defeats benefited the private mine owners, those landed and propertied interests that the upper Chamber tends to represent and protect.

At the time of the vast programmes of nationalisation on which the post-war Labour Government embarked, the Lords tended to defeat the Government in order to prevent the vesting days of nationalised industries. That was still occurring under the Wilson Governments, when the Lords inflicted defeats on legislation that nationalised assets. Those were clearly Government policies that had been included in the party's manifesto.

The upper Chamber has not only inflicted far fewer defeats on Conservative than on Labour Governments: it tends to concentrate its defeats of Labour Governments on important legislation and is not concerned that the policies were in the party's manifesto.

Reference has already been made to the manifesto commitment to reform the upper Chamber, which is specific. It says:

"The House of Lords must be reformed. As an initial, self-contained reform, not dependent on further reform in the future, the right of hereditary peers to sit and vote in the House of Lords will be ended by statute. This will be the first stage in a process of reform to make the House of Lords more democratic and representative. The legislative powers of the House of Lords will remain unaltered."

That is why I take exception to the implication in the amendment before us today that we should propose stage two of the reform before abolishing the rights of the hereditary peerage to sit and vote. It is clear from the manifesto that that is not envisaged as stage 1 of the reform.

Mr. Oliver Letwin (West Dorset): I have been listening to the hon. Lady's speech with great interest. Does she accept that Conservative Members would have vastly more faith in that second step if the royal commission had been set up on the day the Government came to power, so that there was a chance of putting serious reform before the House now?

Maria Eagle: I am happy to give my view on that. Of course, I am not a member of the Government but a Back-Bench supporter. There is no reason why the royal commission cannot report quickly, and I would support that. The view that the royal commission means that reform will disappear into the dim and distant future is not necessarily correct. Although I can understand the hon. Gentleman's view, which is based on the role of royal commissions in the past, this commission will not necessarily be the same.

It is important to see off, at long last, the hereditary peerage in the short Bill that will come before the House. That will not impede the upper Chamber's ability to conduct its affairs, or prevent it from doing its job within our constitution. There is no reason why the royal commission cannot report quickly and why stage two of the reform cannot be achieved more speedily than some Conservative Members fear it will be.

Mr. Grieve: Will the hon. Lady give way?

Maria Eagle: No, I am short of time.

We are witnessing a re-establishment of the pattern of the upper Chamber's behaviour towards a Labour Government. It has started to defeat the Government on major legislation to fulfil pledges and manifesto commitments. That is why the reform of the upper Chamber must proceed as quickly as possible, whether or not stage two has been worked out.

8.54 pm

Mr. Richard Allan (Sheffield, Hallam): The House should be grateful to the hon. Member for Liverpool, Garston (Maria Eagle) for introducing to the debate important and interesting facts about the many facets of independence, which the hon. Member for Beaconsfield (Mr. Grieve) greatly exaggerated. I had visions of Conservative hereditary peers independently getting into their cars and into their planes in Tasmania to come here for the debate on European elections, when we know that

their independence took the form of responding to a telephone call from the Conservative Whips in the other place, who whip peers every time they need them to vote.

The hon. Member for Cleethorpes (Shona McIsaac) made a frank admission about the role of personal votes. During the general election, my father went around saying, "Vote for my son. He needs a job." I suggested to him that that was not the ideal campaign slogan, but I know that I got a personal vote.

I agreed with the spirit of what the hon. Member for Salford (Ms Blears) was saying. On election turnout, my experience in Sheffield is that when political parties are fighting a close battle they do bother to make themselves relevant to the electorate. That is not the effect of the electoral system on its own—the fact that there is a contest is important. Sadly, under the current system, in many areas there is no real contest, so politicians do not bother to make themselves relevant. The hon. Lady's experience may differ, of course.

Two key issues were raised about the European elections. We are all grateful to the right hon. Member for Sutton Coldfield (Sir N. Fowler) for another chance to debate that important issue and the reform of the House of Lords. A common thread runs through those arguments: can the Government exercise their will and make their own mistakes, or should we have a new doctrine that the other place exists to save the Government from themselves?

If Conservative Members believe that the Government's proposals are wrong, they should stand in the next election on a platform of returning to first past the post for European elections and to the existence of hereditary peers. If they had any confidence in themselves, they would believe that they could win an election in 2001 on that platform. The European Parliamentary Elections Bill has undergone a revising process, and the Conservatives should not block the legislation altogether because that is outside the domain of proper scrutiny.

Dr. Fox: There is a mechanism by which the Government and this House ultimately get their way—the Parliament Acts. That is the proper constitutional procedure to use.

Mr. Allan: We are all aware that the Parliament Acts are being invoked for the European Parliamentary Elections Bill, but the Conservatives gain no credit by delaying the legislation for so long and causing disruption.

The other common thread that runs through the two issues is that they both involve members of the Conservative establishment trying to protect themselves against what they see as threats in the form of fair voting systems and the end of their in-built majority in the House of Lords.

Liberal Democrat Members are prepared to associate ourselves with those important reforms. We agree that they are not perfect in every respect, and we have voiced criticisms on many occasions and will continue to do so. However, on balance the reforms are worth while.

On the European elections, most of the problems that have been revealed in our debates have related to internal Labour party selection processes rather than the voting system itself. We are interested to note that Conservative Members have linked that to the Neill committee recommendations, and I hope that they will be playing an active part in reforming party funding, as we certainly will be. The Home Secretary has already brought in the Registration of Political Parties Act 1998. We are now moving into a constitutional phase in which legislation deals with the internal affairs of political parties. That is necessary as we end the fiction of parties being secondary to individuals.

We are no longer in a world in which the country squire is elected and casually joins the Whig or Tory factions, and in which the party is secondary to the main interest of politics. In my experience, the party is one of people's principal concerns and is certainly all-pervasive in the House and another place, to a greater degree than has been admitted in the debate.

Conservative Members have no credibility on the issue of European elections. They allowed the Scotland Bill and the Wales Bill to be passed with closed-list systems. In Committee, they did not support a Liberal Democrat amendment, on the Belgian open-list system, to the European Parliamentary Elections Bill. The Conservative spokesman, Lord Mackay of Ardbrecknish, said that he accepted that the Bill was likely to be passed and that the most important point was to have a review afterwards. The Conservatives were offered precisely that in this House and, at that very late stage, seemed to turned down the amendment for which they had argued in Committee. Our only conclusion is that their real motive was to see the Bill fall, as indeed it did in the previous Session. Their real motive is to block a system in which all votes in June will count under a fair electoral system.

I was interested to note that young peers were called in evidence by the hon. Member for Aldershot (Mr. Howarth). The other day, I told a young peer, my noble Friend Lord Addington, that on the day of the Queen's Speech, I felt that some hon. Members were keen to dive straight into the House of Lords and say, "Come on, outside now." Lord Addington discouraged me from doing so. He is as wide as the Mace and a very keen rugby player, which suggests that his promise that peers can defend themselves perfectly well is adequate to scare us off and will force us to reform the House of Lords by constitutional means.

I certainly worry about the prevalence of gun cases in some of the Range Rovers in which peers travel up to London. That, too, suggests that the Government's constitutional method is the one to take us forward—even though I recognise that the atmosphere in this House is sometimes a little more heated.

Tory arguments on the issue of the House of Lords have become very confused. They appointed life peers while in government and did not criticise their role, yet now trot out the argument that such peers are no more than automata who have no independence and are not able to make any decision. We heard again about Tony's cronies. Although we are still appointing Paddy's cronies and Willie's cronies, there are still far more of Maggie's and John's cronies than anyone else's. Indeed, a few of Lloyd George's cronies are probably still lurking in the corner.

The fact that such peers are life peers does not devalue them completely. The fact that the Government are appointing them to redress the balance causes some concern, however, and we would certainly favour an independent commission creating a balance of peers

[Mr. Allan]

according to the split of votes at the election. We believe that is the fairest way forward in the interim. To simply say that all life peers have a problem and all hereditary peers are great, which certainly seems to be the tone of Conservative arguments, devalues the debate.

We would like the second stage of reform to begin as quickly as possible. Conservative Members who have spoken in favour of some reform seem to be latching on to the single Conservative policy of wait and see. Famously, the Conservatives have a wait-and-see policy on other issues, too. They think that, until they have seen the total shape of reform, they should not make a decision or take any steps forward.

The role of the House of Lords is crucial. The Conservatives seem confused on that, too. On the European Parliamentary Elections Bill, they have argued all arguments, from the House of Lords being a revising Chamber to the matter being one of fundamental principle. The hon. Member for Garston has done us a great service in pointing out the way in which Conservative peers have defeated non-Conservative Governments, which suggests that the revision varies very much according to the political predilections of the Government of the day. Revision can mean many things according to who is in government. What seems clear is that revision takes the form of blocking far more frequently when centre and left parties are in government.

We believe that all this points to the need for a written constitution. We need clearer authority than any single Government or Parliament eventually to resolve such issues of major change. Parliament needs to cede some of its authority to an independent authority. We welcome the Human Rights Act 1998 as a key stage in that process. The lack of clarity in our constitution causes the fear on which the Conservatives are so keen to play. The fact that nothing is written down and that there is no other limiting factor creates a climate of fear, which the Conservatives are using to try to hold us back.

As an example of the assistance of the written constitution, I would cite the Republic of Ireland, where the Government have had to use explicit referendums to decide every cession of power to the European Union. The ability under a written constitution to decide what goes before and outwith Parliament and what needs to go to the people would be very helpful—not least to the Conservatives in clarifying and achieving some of the objectives that they state that they want to limit an Executive's powers.

It is time to be bold on this issue and to move on the agenda. We are prepared to associate ourselves with the agenda of electoral reform for Europe and reform of the House of Lords. We are prepared to let the electorate decide on whether that agenda has been successful. We do not want to leave that decision to hereditary peers, who were elected by no one.

9.4 pm

Mr. Nigel Beard (Bexleyheath and Crayford): This debate has left me with the definite impression that many Conservative Members have been asleep for the past 40 years—some for even longer. For 40 years, the House of Lords has been a mixture of hereditary and life peers. I do not recall the Conservatives making any substantial criticism of that arrangement until now, when it is proposed that it should change. Indeed, the Conservative party fought the general election on the basis that our constitution had reached such perfection that any one change would be for the worse. There was no question then of the House of Lords being in any way affected. Now that it is proposed to remove hereditary peers, we are told that we would be removing the respectable part of the House of Lords and that what is left—life peers—is no longer respectable and, indeed, quite intolerable. That reflects a state of mind, but I am not sure whether my mind can cope with it.

Conservative Members have also totally ignored the point that has been made in response to the broad slurs of "Tony's cronies" and placepersons. The Government have already said that a commission will be set up to appoint life peers to the House of Lords in the interim before a royal commission has considered the matter and defined a longer-term solution. Those aspects were not mentioned of course; they were inconvenient to the Conservatives' argument.

The right hon. and learned Member for Rushcliffe (Mr. Clarke) was like a breath of fresh air. His contribution was elevated more by the flatness of the surrounding countryside, but at least he appears to be a paid-up member of the 20th century, unlike the hon. Member for Aldershot (Mr. Howarth), who seems barely to have entered the 17th century, given the views that he expressed about the hereditary principle.

However, the right hon. and learned Member for Rushcliffe did not tell us why—if he abhors the hereditary peerage as much as he said—the hereditary peerage should have any say on the House that follows it. Why should it be there to define its successor, and why should that privilege linger for generations to come, in the form of the House of Lords that it has defined?

Conservative Members have made much of their argument that what is really at issue is the need to abolish the hereditary peerage at the same time as deciding what will follow it. That is sophistry, because Conservative Members know that, if so complex a measure were introduced, it would be balked at every turn in the House of Lords. There would be an exact repeat of what happened when Harold Wilson introduced a similar Bill. Why should the hereditary peerage be in a position to balk a Government's business? And not only this issue would be balked. There would be a road block of all the Government's measures for the next 12 months at least. For 12 months, there would be frustration of a Government who received an immense endorsement from the people only 18 months ago.

The truth underlying the Conservatives' feigned Olympian detachment is revealed as they seek to define a proper and appropriate process. Their stance hides the crude politics of the Conservative party maintaining its dominance—maintaining its say through the future House of Lords. The party has done it before; for a large part of the 20th century, it has maintained power under the table, through privilege. However, one of the main messages of 1 May 1997 was that the British people would not put up with that any longer. If Conservative Members realised that, they might halt their party's decline.

9.8 pm

Mrs. Eleanor Laing (Epping Forest): The issues that we are discussing tonight are fundamental, because they concern the working of our democracy. I shall keep my

remarks short, owing to a lack of time, but there is so much that could be said on these matters, and much of it has been said tonight.

The reason I am so concerned about these aspects of our democratic system is that, when one looks at the whole picture, it becomes clear that the Government are undermining the balance of our parliamentary democracy. Their plans for dealing with the issue of the second Chamber—how it should be constituted and who should sit in it—are part of that undermining process.

We should have debate first, then action. It is illogical and dishonest to do things the other way round, as the Government are intent on doing. We should debate first what the second Chamber is about and what it is to do. We should then debate how it should be constituted.

Personally, I do not defend the hereditary principle. Had there been anything to inherit in my family, I would have been rather annoyed if my brother had inherited it all and I had been ignored. It is an academic matter as there was nothing to inherit. My brother and I are therefore good friends. I would have been angry had it not been so.

I have been amused to hear the arguments of Labour Members about the so-called Conservative majority among hereditary peers. I fully appreciate the arguments advanced by the hon. Member for Liverpool, Garston (Maria Eagle), whose logic I usually admire—although I might not always agree with her. However, that is not my position this evening. The hon. Lady and her hon. Friends have overlooked an important point. They may challenge the legitimacy of hereditary peers, but they cannot challenge their independence. The fact is that one does not inherit political views. They are not in the blood. It just happens—

Maria Eagle: Will the hon. Lady give way?

Mrs. Laing: I shall give way in a moment.

It just happens that many of those who sit through an hereditary right in another place are Conservatives. Surely Labour Members must appreciate that tomorrow's hereditary peers could become members of the Labour party. They could do so if they wanted to because they are independent.

Maria Eagle: My points were made on the basis of figures that show how many of the hereditary peerage take the Conservative Whip. Of course that may change over generations.

Mrs. Laing: I agree. The hon. Lady's facts and figures are indisputable. However, she cannot dispute that if 100 hereditary Members of another place decided tomorrow to join the Labour party, they could do so. They would be able to do that because they are independent. Therefore, to challenge the independence of hereditary peers is wrong. This point has been entirely overlooked through prejudice.

Much of the debate has been about what people who sit in another place do in their leisure time. That is irrelevant. It does not matter whether someone goes hunting on a horse, plays badminton or whatever. That is irrelevant. What matters is what they do when they are in Parliament. I repeat that one does not inherit political views. Such views come not through the blood but through decisions which independent people reach on their own, and in the 1990s we are all individuals.

I am sure that my uncle, who was once chairman of the Labour party in Scotland, is most amused that I am sitting on the Conservative Benches.

Dr. Fox: Upwardly mobile.

Mrs. Laing: I wonder—we Conservative Members will be that when we are sitting again on the Government Benches.

I shall turn briefly to my second point. Once again, the Home Secretary did not make clear this evening his attitude to the need to regulate the conduct of referendums. If referendums are to be part of our constitutional democracy, we must have regulations. If a referendum is not properly conducted, the result is undermined and the referendum has no legitimacy. I introduced a Bill a few weeks ago that would have had the effect of regulating referendums in accordance with the recommendations of the Neill committee. The Government did not oppose my Bill but neither have they supported it. We are asking only for a fair and level playing field.

I ask Ministers to tell us what the Government are afraid of. What are they afraid of when they refuse to legislate on the conduct of referendums? Are they afraid that on the next referendum that is called on a major constitutional issue, as is likely within the next year or so, the Neill committee's recommendations will mean that the Government will not be able to use their machine and taxpayers' money to fight their side of the argument?

Mr. Desmond Swayne (New Forest, West): They are afraid of the people.

Mrs. Laing: Indeed, they must be afraid of the people. If they are not afraid of the people, why are they afraid to consult the people under fair rules? Why are town council elections, parish council elections and even some student elections at universities better conducted than referendums on major constitutional issues? It is illogical and unfair; unless and until the Government agree to establish rules for the proper regulation of referendums, we shall continue to ask: of what are they afraid? If the Government want to conduct opinion polls, they can continue to do so; but if they want a referendum to be legitimate, it must be conducted under rules.

The hon. Member for Salford (Ms Blears) said that the people who elected us to Parliament are not interested in constitutional matters. If people believe that the constitution is a dry and boring matter which is discussed only by lawyers, it is not surprising that they are not especially interested. However, when they begin to realise the Government's underlying agenda for change to our constitution—surreptitious, gradual and, I would argue, dishonest change, because the Government do not explain their overall strategy—the people become interested in the constitution. They will quickly come to resent what the Government are doing to undermine our parliamentary democracy.

9.16 pm

Dr. Liam Fox (Woodspring): This debate began in a most interesting fashion, with the Home Secretary detailing what he described as the Government's detailed and thorough constitutional changes. However, they must have been different constitutional changes from those that have been presented to the House, which could not have been described as either detailed or thorough. The parliamentary Session began with the Government's devolution proposals, which laid the ground for the further constitutional changes that have since been proposed. To understand exactly what stage we have reached in those constitutional changes, we need to examine the process, for it is instructive in showing how the Government have gone about those changes.

First, let us look at what we were promised before we reached the devolution referendum, when we were still at the White Paper stage. We were promised that the proposals would preserve the Union and that they would bring an end to nationalism. The Secretary of State for Defence said that they would kill nationalism stone dead. Well, nationalism did not appear to be stone dead in north-east Scotland last Thursday, when the nationalists looked rather triumphant. That only goes to show that when we said that the proposals presented a tremendous danger to the Union, our warning was correct.

During the passage of the Scotland Bill through the House, we were told that the Government would always look at devolution in the worst-case scenario; they would legislate just in case the consensus broke down. Despite the lovely winceyette, cuddly and all-inclusive, new-age politics that we were supposed to have in Scotland—which fell apart last Thursday—the Government would always look at the worst-case scenario, just in case. We said in return that we would be constructive in our approach to the Bill.

Is that what we got? It is not. In the other place, we got 186 groups of amendments to the Government's flagship Bill: the Government had to amend a Bill on their main proposal for constitutional change that was desperately flawed, as we had warned—it was so flawed that a bus could be driven through the holes in it. The second Chamber here, which the Government say has no democratic legitimacy, had to deal with 186 groups of amendments to a Bill that sets up a unicameral body. That, in the Home Secretary's words, was detailed and thorough. The Bill was a dog's breakfast—it was even being amended at Third Reading, days before coming back to this House.

We have already had several verdicts on devolution and I believe that we are to get another in the next couple of days. We never believe the leaks that we read in newspapers, but if the leaks in *The Herald* are to be believed, the verdict of the Select Committee on Scottish Affairs, which is dominated by Labour Members, will be damning indeed, saying that the Bill was poorly drafted and that Ministers did not understand their briefs. There are various criticisms of the process and of the fact that it will not fulfil the promises that the Government had outlined at first. Ministers had a unique combination of incompetence and naivety in their approach to the Bill, and—typically for the culture of the Government—Ministers of State get the blame, not Secretaries of State.

There was a by-election last week and, in the collapse of the Labour party's vote, we saw that the public had also lost confidence in the ability of the Secretary of State for Scotland to deal with the nationalists, although, as a by-product, I noticed that the Liberal Democrats were today cosying up to the Scottish nationalists, just in case they might be the winners in future elections. The Liberal Democrats take the term "lowest common denominator" to new levels.

On Wales, which is the other part of the flagship, we heard interesting noises from the Home Secretary—

Mr. Deputy Speaker: Order. I remind the hon. Gentleman that the terms of the motion are quite carefully defined, and he should refer to it.

Dr. Fox: Indeed, Mr. Deputy Speaker. I am simply pointing out, as your fellow Deputy Speaker pointed out earlier, that background issues lay behind the Government's broader constitutional programme.

The Home Secretary said in his opening speech that he believes in equal funding in respect of referendums. I presume, therefore, that he agrees with the Neill committee, which had grave reservations about the referendum in Wales—had the Government not spent money on one side, there might have been a different result. That has enormous constitutional implications for us, and is something that we should consider.

As several speakers—most notably, my right hon. Friend the Member for Fareham (Sir P. Lloyd)—have said, the most important section of this part of the agenda is the fact that the West Lothian question remains unanswered: 20 years after that question was first asked by the hon. Member for Linlithgow (Mr. Dalyell), we still have no answer to an important constitutional conundrum.

How can it be that the West Lothian question was regarded as so unimportant that it was not addressed in the Government's well-thought-out, detailed and thorough constitutional programme? The reason is that it cannot be answered within the Government's devolution plans, because devolution cannot answer the West Lothian question. The West Lothian question defies the logic of devolution, which says that the constitutional arrangements in one part of the kingdom can be changed without changing them in the rest.

One of the issues that has come forward clearly today is the conduct of referendums. I thank those who have worked with us on that in recent times—Charter 88, the constitutional unit, the Electoral Reform Society; those who responded to our reasoned plea—the Law Lords, the peers, members of all parties in this House and the bishops; and all those of all parties and none who responded to what we had asked.

What we are interested in achieving in the conduct of referendums has to do with something that lies at the heart of the British people—a sense of fairness. I do not need to point out to the House that the groups with which we have worked are hardly the usual bedfellows for the Conservative party, but they all share a fear of the Government's approach to referendums.

As my hon. Friend the Member for Epping Forest (Mrs. Laing) said so clearly—not only tonight, but on a previous occasion—if referendums are to be part of our constitutional architecture, and it seems that they shall be, we need better guidelines than we have at present. As she pointed out, we have adequate guidelines for the conduct of every other type of election in this country; why not for the conduct of referendums?

I was extremely interested in what the Home Secretary had to say, because—if I may use the term—his mood music was interesting and fair on this subject. As he will know, we have, with the co-operation of the groups that I have mentioned and a large input from Charter 88, developed a draft Bill which we believe could answer these points. I hope that he will enter into conversation with us, to discuss the content of the Bill and whether we could legislate in this Session in respect of this part of what the Neill committee has said. Any assurance that he could give the House—

Mr. Straw *indicated assent.*

Dr. Fox: The Home Secretary is nodding, and I am pleased to see that.

What we propose is very simple. We believe that there is a need for minimum regulation to deal with finance and media access during a referendum campaign. There is nothing to prevent the Government from putting their case in any referendum to the people—that is right and proper. What is objectionable is the Government using taxpayers' money to support only one side—as happened in Wales—because taxpayers will inevitably support both sides.

Having established minimum regulations on finance and media access to both sides of a referendum campaign, we should go further and examine what other regulations may be necessary. It would be sensible to consider who should set the question in the referendum, who should decide on the timing, what constitutes validity and what thresholds need to be set. Those questions should be of equal importance to both sides, as they deal not with specific issues, but with the mechanism by which a referendum would be valid in the eyes of the electorate. That is the most important aspect. Will those who lose in a referendum believe that it was fair and accept the result? The low turnout was one of the factors that undermined the referendum in Wales.

We need look no further than the referendums that may come up in the near future. I have no idea whether the Liberal Democrats know when the referendum on proportional representation will take place—if they do, their information is probably not correct—but we know that it will happen at some point. There will also be a referendum on economic and monetary union. Without the referendum commission, the question would probably be, "I, the Prime Minister, the Almighty, being such a great guy, if, at some point in the future, I decide that it would be reasonably good for the United Kingdom to consider monetary union, do you think that I perhaps should be given the chance to take this country in at some point to be decided in the future?" That is the sort of crisp question that we are likely to get, and it is all the more reason to establish a mechanism to make the process more valid.

What is the difference in validity between a pre-legislative and a post-legislative referendum? Our recent experience in Wales and Scotland strengthens the case for a post-legislative referendum. A Bill has been amended and changed until it is almost unrecognisable, yet in both its forms, it is supposed to be the same measure that the voters voted for, and that cannot be so.

The case for a post-legislative referendum is also strengthened by the changes being made to the legislation for London, as my hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson) pointed out. My right hon. Friend the Member for Fareham referred to other cases in which people have voted for one thing and have got something quite different. It should be our practice to have post-legislative not pre-legislative referendums, if they are to have legitimacy.

I do not intend to say much about the European Parliamentary Elections Bill. We have had a rota, and have taken turns to speak on that Bill, so there can hardly be a Member who has not spoken on it. The attitude of Labour and Liberal Democrat Members is instructive. There is a clear principle, which is choice for voters. Choice for voters is good, maximal choice is best, and some choice is better than none. However, the Government have adopted the reverse principle—not voter first, but party first.

I was astonished to hear the right hon. Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan) say that the Salisbury convention had been badly shaken by the decision to reject the closed list. There is nothing in the Labour manifesto about closed lists. The Liberal Democrats did not say that they would change from open to closed lists when it suited them. This was a properly constituted matter: the House of Lords decided that the House of Commons should think again.

The House of Commons can get its way through the Parliament Acts, and the Government have made it clear that they will do so. That is the correct process. For some reason, the idea has been put about that there has been undue process and an abuse of Parliament. This is how Parliament is supposed to work. We have a system of checks and balances to ensure that the House of Commons gets its way, but does not rush through legislation if the other Chamber believes that it should think again.

I hear people say that this is the settled will of the House of Commons. It is the settled will of the House of Commons through the Whips—there is no doubt about that—but it is hardly the settled will of the House of Commons as conveyed by Labour Members in speeches here. Labour Members went out of their way to be absent: to be in their constituencies, having dinner, seeing their best friends or doing anything to avoid having to defend a position that they found very unpalatable.

Most of today's debate has concerned reform of the Upper House. I feel that, generally speaking, the standard of debate on this issue should be raised from the caricature and tiresome class-war rhetoric that has featured too much today. I exempt the hon. Member for Liverpool, Garston (Maria Eagle), who made an informative and intelligent speech. I wish that more of her colleagues had done the same.

The debate is not about the Government's right to have stage one without stage two, which is clearly in their manifesto; it is about whether the Government are wise, or correct, to have stage one without stage two. It is not about the Conservative party's blindly defending the rights of hereditary peers—although that is what the Labour party would love us to do, because it would make its job so much easier. It is very unlikely that, if we started with a blank piece of paper, we would end up with the constitutional position in which the United Kingdom currently finds itself.

I do, however, defend the public service of men and women in the other place, over many years. That has been cheaply denigrated today by too many Labour Members,

[Dr. Fox]

many of whom have been in Parliament for only a short time. Above all, Conservative Members defend the right of the people to know how they are to be governed. In saying that they want stage one without stage two, the Government are, in effect, saying, "We are going to change the way in which you, the people of Britain, are to be governed through Parliament, but we are not going to tell you what that change is to be".

We need, first, to determine whether there is a need for a second chamber. My hon. Friend the Member for Chichester (Mr. Tyrie) presented a passionate defence of our two-chamber system today. Next, we need to decide on the role and function of a second chamber: we must do that before we decide on its composition. To decide who is to sit in a chamber before deciding what it is to do is rather like setting up a factory, employing staff and then deciding what the factory will make. It would be ridiculous to put us in such a position.

After that, we should decide on our criteria for the chamber. We have set out six criteria for any change to the upper House. It should hold the Government to account better than the present Chamber; it should have a substantial number of independent Members, free of any political party; the Prime Minister's power should not be increased; Members must be drawn from all parts of the United Kingdom; the impact of reform on both Houses should be considered; and the House of Commons must remain supreme. Those are clear criteria, set out by my right hon. Friend the Leader of the Opposition.

Mr. Straw: Do those criteria include an end to the built-in 3:1 Tory majority in the other place?

Dr. Fox: It is typical of the Home Secretary to ask such a question. We are talking about engaging openly in a process of reform, which, as the Home Secretary knows, we have offered to do on several occasions. We have wanted to take part in a full, one-stage, coherent process of reform. We are talking about the better governance of the United Kingdom—and what does the Home Secretary talk about? He talks about the Labour party's interests. The Labour party can see any part of constitutional change only in terms of what is in its interests. Only when we have decided what the role of the Chamber can be shall we be able to decide what its composition should be.

We heard one or two extraordinarily interesting contributions. Perhaps the best was that of the hon. Member for Cleethorpes (Shona McIsaac), who, in a "Beanoesque" speech, said, "No one voted for a candidate in the election. No one voted for me." The hon. Lady has not worked out that the whole point of an election is that the voters are supposed to have a choice. According to her, it is all about party. It takes one of the newest Members of Parliament to speak the truth, for that is indeed what it is all about for the Labour party: it is all about party.

Last week, Lady Jay referred, in the other place, to Cross Benchers' being independent "in name only". That betrayed the fact that, under the current Administration, people are either with the Government or against them. It is not possible to be independent: you are either "them" or "us". As my hon. Friend the Member for Ruislip–Northwood pointed out, they do not understand the danger of patronage.

As my hon. Friend the Member for Chichester said, unusually in this Government, the new life peers being created are predominantly Government peers—54 per cent. so far. It is clear that the Government intend to pack the upper House, to increase the Prime Minister's power and to increase the Executive's power when we should be bringing it under check.

What is the demand for the constitutional change that is being put forward? Are our voters stretching out in constituencies demanding constitutional change? Are lorry loads of petitions making their way into the House at this moment to be dumped on our desks? Do barges sail up the Thames, with the people of this country demanding that we have constitutional change? No, they do not. That is not what people are interested in, as many hon. Members have pointed out.

The trouble is that the Government believe that history began on 1 May 1997. They have little respect for our traditions or our heritage. *[Interruption.]* Labour Members may well roar their approval because that is exactly the perspective. They see us not as a nation state, but as a conglomeration of regions, just as they see the electorate not as a whole, but as a coalition of minorities. As they say, they want us to be governed by modern European mechanisms of government, but we are not a modern European nation. *[Laughter.]* We are a strong, independent nation state that twice this century, because of the values that we have held, has been able to get Europe out of trouble of its own making. It is typical of how little feel the Labour party has for our country's traditions that it can mock them in such a way.

I look forward to the Secretary of State for Wales answering the debate. He is in a particularly difficult position: either he wins his election and gets a job that he does not want, or he stays in extended exile. I enjoyed his shotgun wedding to the Welsh Labour party last week, with him being led down the aisle by the Prime Minister. The hon. Member for Cardiff, West (Mr. Morgan) could be the best man, but best man is not a term that counts in the Labour party; only Blair's man counts.

We have in the Secretary of State someone who has come late to the constitutional debate, having not taken part in the devolution flagship debates, and he is left to clear up what is now a mess. The European Parliamentary Elections Bill tries to gag the voters and to boost the party bosses. The House of Lords reform is to bolster the Prime Minister, not to improve how we are governed. The nationalists are resurgent. The United Kingdom is in peril.

There is more that unites us as a nation than divides us, but the Labour party refuses to see it. The Government's approach is piecemeal, vacuous and superficial. It is all about Labour. It may be good for Labour, but it is bad for the United Kingdom. It should be opposed. We will relish that opposition.

9.38 pm

The Secretary of State for Wales (Mr. Alun Michael): What a rant that was. I was looking forward to a wide-ranging debate reflecting the scope and breadth of the Government's constitutional reform programme. From devolution to the incorporation of human rights legislation into domestic law, to the reform of the other place, the Government are committed to overhauling and modernising our constitution. Instead of that sort of debate, we have had a narrow, petty amendment, reflected

in narrow, petty arguments from Opposition Members. What we have heard in the past few minutes was the worst and narrowest of the contributions.

If anyone has come late to the constitutional debate, it is the hon. Member for Woodspring (Dr. Fox). I have been involved in that debate for more than 30 years. My commitment over the years is beyond doubt. After the contribution that he has just made, his commitment to anything is slightly doubtful.

In the last Session, 10 constitutional measures were enacted; when constitutional experts said that two would be ambitious, yet it would have been 11 but for the refusal of the hereditary peers to accept the wishes of those who have been elected. There is more work to come in this Session, as well as a number of draft Bills—more than enough, I would have thought, to engage Conservative Members—yet instead there has been a series of stale and stereotyped attempts to defend the indefensible: the so-called right of an in-built Conservative majority to frustrate the policies of an elected majority in the House of Commons. That is what the debate has been about.

The hon. Member for Beaconsfield (Mr. Grieve) was right to criticise what he described as the "ritual opposition" of Conservative Members, who have debated nothing but one issue. They have offered no real debate on the European elections or on the Neill committee's report. They have shown no real engagement on the major constitutional issues raised by the 10 major constitutional measures that I mentioned. They have also not attempted to debate the measures that were introduced in the Gracious Speech.

I tell the hon. Member for Woodspring that the Government's authority is based on our constitution, and on the confidence with which people voted for us and their desire for us to make this a modern, democratic Government. He has confessed that the previous Government did not leave us a modern and democratic House.

The language used by Conservative Members in today's debate has been curious and loaded with prejudice. They accuse us of undertaking reform piecemeal. It is more appropriate to talk of incremental change. As we have an uncodified and unwritten constitution, we are bound to effect change in a case-by-case, incremental process. I thought that Conservative Members favoured such a process—of careful, incremental change, driven by a coherent philosophy. As my right hon. Friend the Home Secretary clearly said at the beginning of the debate, we certainly take such an approach.

I agree with the comment made by my hon. Friend the Member for Ealing, Acton and Shepherd's Bush (Mr. Soley) on the Government's courage in proceeding with the modernisation agenda at every level of government.

Mr. Lansley: I fear that, in his comments on the previous Session, the right hon. Gentleman may be failing to distinguish between activity and achievement. Nevertheless, on the coming Session, will he explain—if he has a coherent philosophy—what the Government propose as the democratic and modern alternatives to the current House of Lords and to current electoral systems?

Mr. Michael: The alternatives are simply what we promised in our manifesto—to remove the entirely undemocratic and unjustifiable votes of elected peers. We shall then move forward. Until we have taken the first action, we cannot get Conservative Members to engage in proper debate. They are stuck on defending the indefensible—an unelected majority in the other place. Once we have dealt with that, perhaps the Government will be able to have a coherent debate with Conservative Members and not only with the Liberal Democrats. Conservative Members have opted out of the debate.

This Session will also bear witness to several of the previous Session's measures bearing fruit. The hon. Member for South Cambridgeshire (Mr. Lansley) mentioned that point. As a consequence of the Human Rights Act 1998, for example, the Bills that have been published already this Session have been accompanied by ministerial statements certifying their compliance with the provisions of the European convention on human rights. The constitutional reforms that the Government have undertaken are starting to have a direct beneficial effect on the lives of ordinary people. None the less, today's Conservative amendment is narrow, bitter and arid.

Why did Conservative Members not want to talk about the new Northern Ireland Assembly, the government of London, or the sentence in the Address celebrating the fact that

"people will be able to vote in elections to the Scottish Parliament and Welsh Assembly next year, and my Government will work to ensure that both are established successfully"?

It was not until the hon. Member for Woodspring replied for the Opposition that a lame attempt was made to criticise the exciting progress being made by the Government. Perhaps Conservative Members are so quiet now because that legislation completed its passage, finishing the job, in the previous Session.

The fact is that 1999 will be very much a year of destiny for Wales and Scotland and for all of the United Kingdom. I am very concerned that there are those in Westminster and in Whitehall who misunderstand the process of change that we are experiencing, just as they seemed to misunderstand the referendum process that we experienced. Conservative Members' mention of referendums and, in their amendment, of the Neill report was meant simply as a hook to be used in attacking the devolution process. Dare I say it that hon. Members and some people in Whitehall believe that, after 7 May, they will no longer have to consider or bother about Wales or Scotland?

There are also those who pursue a nationalist agenda and talk as if, after devolution, a deep divide will develop between the English border and the Welsh border. There is neither a new Offa's dyke to be erected nor a new Welsh sea to come between us. The point of our constitutional change is for the people of Wales to elect representatives who are directly accountable for the decisions that are currently taken by the Welsh Office. It will be essential for the Assembly to engage with other Departments of state and be involved in legislation and administration that is done on an England and Wales basis or a United Kingdom basis.

Reform of the House of Lords, reform of this House and systems of election are closely related and are about improving democracy in this country. They are not about undermining our democracy, as the hon. Member for Aldershot (Mr. Howarth) suggested, any more than devolution is about separation. It does not mean cutting

[Mr. Michael]

the ties that bind us. Instead, it gives us the opportunity to create better government. My vision of devolution is not about the arid separatism that nationalism implies. It is dynamic devolution, in which accountability and democratic participation are brought to decision making for Wales and in which we develop new partnerships and new links between the different levels of government to create a dynamic economy and movement in social and economic development, enhance the opportunities available to every sector of the economy and society in Wales and move the whole United Kingdom forward.

Dr. Fox: Will the great new democratic freedom in Wales and the lust for devolution be extended to the Labour party in the form of one member, one vote?

Mr. Michael: Every member of the Labour party will have a vote in the selection of the leader of the Labour party in Wales.

It is not surprising that the hon. Gentleman wants to move away from the argument about the effectiveness of our systems. If we are to be effective—if this House and the House of Lords are to be effective—it is important that decisions should be taken at the right level, that we should get the right results and that we should enhance quality of life for people in every part of this land. Conservative Members seem to have lost sight of the fact that that is what constitutional change is about. It is not about arid theory; it is about making life better for people.

Mr. Derek Foster (Bishop Auckland): My right hon. Friend is expounding the most exciting aspect of the devolution debate. For too long, this country has been over-centralised. Now, we have the opportunity to release the talent of the British people in all their countries and regions. That is the way to get this country moving again. I thank him for raising the subject.

Mr. Michael: I am delighted that my right hon. Friend, as an English Member, understands the process of devolution and the fact that, for it to be effective, there needs to be a dynamic partnership between different levels of government. That is why I shall be putting my energy in the coming months into preparing the ground for that new relationship and dynamic devolution that I spoke about earlier.

Mr. Gerald Howarth: On a point of order, Madam Speaker. I, a number of my hon. Friends and even the Home Secretary were brought to account by the Deputy Speaker when we ranged outside the narrow confines of the amendment. It appears that the Secretary of State for Wales is straying on territory—

Madam Speaker: Order. I am perfectly capable of knowing what the Secretary of State is saying.

Mr. Michael: Perhaps the hon. Gentleman was not here when the Opposition spokesman raised the same points of devolution to Wales to which I am alluding. I am referring briefly to those issues because they are vital. Until the winding-up speech, the Opposition chose to ignore them. I am also trying to bring home to the hon. Gentleman, if he would care to listen, the fact brought to the debate by my hon. Friend the Member for Cleethorpes (Shona McIsaac)—that the views of ordinary people are important. Some 70 per cent. of her constituents wanted to scrap the voting rights of hereditary peers. That reflects the views of my constituents. My hon. Friend the Member for Welwyn Hatfield (Miss Johnson) asked us to reflect on what our constituents expect of us—an improvement in the quality of their lives. That is the basis on which we should judge constitutional change. Those who operate at the grass roots—businesses, trade unions, local authorities and voluntary organisations—need to be the partners of Parliament or an elected Assembly. The votes of hereditary peers have never helped us on such issues.

Reference has been made to devolution, which as my predecessor—my right hon. Friend the Member for Caerphilly (Mr. Davies)—said is not an event but a process. It is neither a single one-off election nor a point on a process from dependency to complete independence, but a process of engaging people as we seek to do in Wales and in every part of the United Kingdom.

Defending the powers of hereditary peers seems a million miles away from the issues that affect our constituents. That is why I am delighted that the Gracious Speech this year underlines the importance of the events of devolution, including the election, in the next 12 months. It reminds us that those developments will enhance the unity of the United Kingdom, not undermine it. England and Wales will remain partners, bound together by our common legal and economic framework and the accidents of Welsh geography, but allowing us to express our distinctive identity through the Welsh Assembly, which will provide us with our own clear voice.

Let us apply to the House of Lords and the arguments made by the Opposition the same test of success that I will apply to the Welsh Assembly. What does it do for our people in terms of a strong economy, jobs, better education, opportunities for all, a better health service and healthy, safe communities? The Assembly and the House will be judged by those criteria, which should also apply to the House of Lords. We should consider whether the retention of the rights of hereditary peers can do anything to help.

Mr. Barry Jones (Alyn and Deeside): My right hon. Friend mentioned Offa's dyke. He will know that that great earthwork goes through my constituency, as does the earthwork of Watt. However, I am not concerned with Anglo-Saxon imperialists. How does my right hon. Friend envisage his plans helping the economy in my constituency? What will his proposals do for Alyn and Deeside?

Mr. Michael: I am grateful to my hon. Friend. He does not realise that, as a teenager, I became a world expert on Watt's dyke, but I shall speak to him about that some other time. Each of the 10 measures to which my right hon. Friend the Home Secretary referred will improve the quality of life and its freedoms and the accountability and responsibilities of institutions to the British people. That is our agenda and that of my hon. Friend in his constituency and his work.

Mr. Grieve: I know that time is short and that the Minister still has points to make. He was kind enough to

pick up my remark that we should get away from ritual. In the next few minutes, would he be willing to address some of the issues that were raised in the debate?

Mr. Michael: Yes, but to do so I shall have to turn to my right hon. and hon. Friends and to the Liberal Democrats, as they were not addressed by the hon. Gentleman and his colleagues.

The right hon. Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan) noted the ambitious nature of the Government's reform programme. I welcome the fact that he and his party are prepared to enter into debate about modernisation. We may not always agree—it would be nice if the Conservatives took that on board—but he was right to point out that the underlying casuistry of the self-seeking actions by the hereditary peers, who have undermined the conventions of our democratic traditions, has been defended outrageously by Conservative Members this evening.

Mr. Kenneth Clarke: Will the Minister give way?

Mr. Michael: I am coming to the speech by the right hon and learned Gentleman.

In contrast, the Conservative speeches—the right hon. and learned Gentleman was the first who gave the slightest hint of engaging in debate on how to reform the House of Lords—

Mr. Clarke *rose—*

Mr. Michael: I should get my retaliation in before the right hon. and learned Gentleman replies. He was the first for some time to give the slightest hint of engaging in a debate on how to reform the House of Lords, but he retreated rapidly from any real engagement. We shall engage the Conservatives in a full debate only when the rights of hereditary peers have been removed. The Conservatives will not seek to restore such a barmy constitutional anachronism, so let us remove the appendix and get on with improving the health of the body politic.

Mr. Clarke: I thank the Minister for giving way. He listened to some of the debate, in which I heard no Conservative Member defend our right to a permanent majority in the upper House. Will he address the question that the Bill would make the present Government the first for almost 200 years accountable to a second House entirely appointed by the Executive? Does he have a solitary argument in favour of that in terms of the accountability that he is now talking about?

Mr. Michael: No. The composition of the House of Lords will be changed by the removal of the hereditary peers, so the form that it then takes will be a matter for constitutional debate and consultation.

Sir Norman Fowler: Answer the question.

Mr. Michael: I have answered the question; if Conservative Members listened to the question and the answer, they might learn something.

The right hon. and learned Member for Rushcliffe made a quirky claim to be a close ally of my hon. Friend the Member for Bolsover (Mr. Skinner), which sounded like another vicious personal attack. Other than that, his position was illogical and untenable. He argued that the outrage of the hereditary peers' genetic veto should continue while we build a consensus on how to construct a second chamber that retains and improves what is good about the House of Lords and removes what is bad. When we published our proposals in opposition, I found it extraordinary to behold the instant conversion of hereditary peers to the wholesale democratisation of the House of Lords provided that we waited until every detail had been worked out and agreed before we removed their votes.

The right hon. Member for Fareham (Sir P. Lloyd) is usually a thoughtful man, but he made the ridiculous assertion that the hereditary peers are independent and not merely Conservative. Of course we need a balance in the constitution, as the right hon. and learned Member for Rushcliffe rightly said, but how will parliamentary democracy be reduced if we make the House of Lords more democratic? Reforming the House of Lords is like eating an elephant; it must be done a bite at a time. That suggestion seems to contain much wisdom.

The hon. Member for Sheffield, Hallam (Mr. Allan) made a typically vigorous speech and said a great deal with which I agreed. I am glad that he was not intimidated by his confrontation with large, gun-toting, rugby-playing Liberal peers. The hon. Member for Epping Forest (Mrs. Laing) was worried about the Government's response to the Neill report. My right hon. Friend the Home Secretary dealt with those issues comprehensively and at length on 9 November.

I remind Conservative Members that we made clear in the general election our intentions for the House of Lords. Our manifesto said:

> "As an initial, self-contained reform, not dependent on further reform in the future, the right of hereditary peers to sit and vote in the House of Lords will be ended by statute. This will be the first stage in a process of reform to make the House of Lords more democratic and representative. The legislative powers of the House of Lords will remain unaltered."

Our intentions were clear and we have pursued them in government.

It is absolutely clear that no Government this century have undertaken such a radical and wide-ranging overhaul of our constitution. Far from wrecking the constitution, we have sought to amend it. The Liberal Democrats have been engaged in that process but there has been no Conservative engagement, to that party's eternal shame. Conservatives can claim no rights or authority as supporters of the constitution when their approach is entirely negative and destructive.

During this Parliament, we will ensure that decisions are taken much closer to the people. We will improve local government and government at the Welsh, Scottish and Northern Ireland level. We will ensure that people no longer have to go to Strasbourg to enforce their basic human rights. We will clean up politics by giving effect to the recommendations of the Neill committee. We will end the absurd anachronism by which people can serve in this legislature not by virtue of election or their own merits but by accident of birth. I am proud of what we have achieved and of what lies ahead.

Question put, That the amendment be made:—

The House divided: Ayes 133, Noes 350.

Division No. 1] **[9.59 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Baldry, Tony
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Goodlad, Rt Hon Sir Alastair
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Heald, Oliver
Heath, Rt Hon Sir Edward
Heathcoat-Amory, Rt Hon David
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
King, Rt Hon Tom *(Bridgwater)*
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Mates, Michael
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, Sir Teddy
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Wardle, Charles
Waterson, Nigel
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. John M. Taylor and Mr. Tim Collins.

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashdown, Rt Hon Paddy
Ashton, Joe
Atkins, Charlotte
Baker, Norman
Ballard, Jackie
Banks, Tony
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Benton, Joe
Blears, Ms Hazel
Blunkett, Rt Hon David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brake, Tom
Brinton, Mrs Helen
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Byers, Rt Hon Stephen
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Canavan, Dennis
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chidgey, David
Clark, Rt Hon Dr David *(S Shields)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Connarty, Michael
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Cranston, Ross
Crausby, David
Cryer, John *(Hornchurch)*
Cunningham, Jim *(Cov'try S)*
Cunningham, Ms Roseanna *(Perth)*
Curtis-Thomas, Mrs Claire
Dafis, Cynog
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Dismore, Andrew
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Ewing, Mrs Margaret
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Follett, Barbara
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Harman, Rt Hon Ms Harriet
Harvey, Nick
Heal, Mrs Sylvia
Heath, David *(Somerton & Frome)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*

Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Ms Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kemp, Fraser
Kennedy, Charles *(Ross Skye)*
Kennedy, Jane *(Wavertree)*
Kidney, David
Killoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Livingstone, Ken
Livsey, Richard
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Maclennan, Rt Hon Robert
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall-Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Michael, Alun
Michie, Bill *(Sheffld Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Norris, Dan
Oaten, Mark
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Neill, Martin
Öpik, Lembit
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Rendel, David
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruane, Chris
Ruddock, Ms Joan
Russell, Bob *(Colchester)*
Salter, Martin
Sanders, Adrian
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'hs)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Straw, Rt Hon Jack
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Tonge, Dr Jenny
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
Welsh, Andrew
White, Brian
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Wills, Michael
Winnick, David
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wyatt, Derek

Tellers for the Noes:
Mr. David Hanson and
Mr. Clive Betts.

Question accordingly negatived.

Debate adjourned.—*[Mr. Pope.]*

Debate to be resumed tomorrow.

ENVIRONMENT, TRANSPORT AND REGIONAL AFFAIRS COMMITTEE

Ordered,

That Mr. Eric Pickles be discharged from the Environment, Transport and Regional Affairs Committee and Mrs. Teresa Gorman be added to the Committee.—*[Charlotte Atkins, on behalf of the Committee of Selection.]*

SCIENCE AND TECHNOLOGY COMMITTEE

Ordered,

That Mr. David Atkinson be discharged from the Science and Technology Committee and Mr. Ian Taylor be added to the Committee.—*[Charlotte Atkins, on behalf of the Committee of Selection.]*

TREASURY COMMITTEE

Ordered,

That Mr. Nick Gibb be discharged from the Treasury Committee and Mr. David Ruffley be added to the Committee.—*[Charlotte Atkins, on behalf of the Committee of Selection.]*

Madam Speaker: When I responded to a point of order today from the right hon. Member for Chesterfield (Mr. Benn), I was not aware that he was elected to this House 48 years ago today. I congratulate him. He and I have not always seen eye to eye, but it has been a privilege for me to serve in the House with him. I understand that his wife is not well, and I hope that he and his entire family flourish.

Planning (East Hertfordshire)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Pope.]*

10.15 pm

Mr. Bowen Wells (Hertford and Stortford): This debate concerns the case of my constituent, Mr. S. Carslake, and his dispute with East Hertfordshire district council and the local government ombudsman over the way in which he has been treated in relation to developments affecting his home.

The essence of the issue is how we ensure that justice is done, and seen to be done, for ordinary people whose property is affected by development that reduces its amenity and value. As we advocate the use of brown land and the redevelopment of our towns and villages instead of building in the green belt, that issue will become more and more important. The case of Mr. Carslake's property in Bishop's Stortford is a prime example of what should not happen. It has left Mr. Carslake—a decent, hard-working citizen of this country who has bought his own home—with a burning and justifiable sense of injustice and outrage.

The case is as follows. It relates, first, to a number of failures in planning procedure and the lax enforcement of planning conditions involving new structures on three sides of Mr. Carslake's residence, the amenities of which have been substantially damaged. More importantly, it concerns the behaviour of several council officials, which has proved unacceptable by any reasonable standards. It is a complex and difficult case, and I have had to simplify it considerably to describe it in the time available and enable the Minister to give a proper reply.

The new structures that are being built around Mr. Carslake's home include, first, an overbearing structure on one side which is built closer to his home than the planning approval allowed for and runs the full length of his small rear garden. Planning permission is flouted by the roof being higher in one part of the building, and the original planning permission was amended to extend the building by 9 ft without any reference to Mr. Carslake.

Secondly, a huge house, which is 170 sq m larger than was advised to the planning committee, overlooks Mr. Carslake's entire rear garden. That problem is made worse by the raising of the land in the garden surrounding the house without planning permission. Planning permission for the house was accepted by the council as being damaging to Mr. Carslake. The council offered to recompense Mr. Carslake by building a wall that would cost at least £6,000, but has subsequently withdrawn the offer.

On the third side of Mr. Carslake's small rear garden, there is a building converted from a banana packing station into four dwellings with eight windows overlooking his property. The planning permission said that those windows should be non-opening, but they can be and are opened. The council failed to enforce its own planning permission and the building is in any case higher than permitted.

The second issue is the failure of the ombudsman to examine and report on the case in full once the council had admitted to maladministration on one, and only one, aspect of the whole case. That is important not only because it shows up the limitation of the ombudsman and the need for reform of the system, but because, as I understand it, any compensation for Mr. Carslake will be restricted to damage that is caused to his property by the building of the first structure that I mentioned. There will be none for the over-large house for which the council initially offered compensation. If that is so, it will constitute a grave injustice to Mr. Carslake.

Mr. Carslake has instanced to me and his councillors a series of misdemeanours by the council's officials, which I shall summarise. He has suffered long delays in replies to his letters—months not weeks. Some of his letters remain to be answered seven years after they were sent. In order to avoid answering letters, the council has said that it has lost some delivered to it—since when, of course, Mr. Carslake has always corresponded by recorded delivery.

Information that he legitimately needed to know has been withheld from him by the holding of conversations in secret part II council meetings. He has been refused minutes from such meetings, even though, under the council's standing orders, it is obligatory that they should be made available to him. To this day, the council has yet to answer any objection that Mr. Carslake has lodged with it, especially with regard to the removal of a pear tree, which provided shelter for his home.

In September 1992, the director of planning of East Hertfordshire district council submitted a report to the planning committee on the big house which, in a report issued nine months later, was generally agreed to be misleading. Compensation to a maximum of £6,000 to heighten a wall—which Mr. Carslake pointed out could not be done without making it unstable, therefore uninsurable and certainly dangerous to children who played on either side of it—was awarded on the basis of the report and reported to the press. Of course, he refused to accept that amount as sensible compensation or, indeed, as a compromise. At a subsequent secret meeting of the planning committee, the offer of compensation was withdrawn. Council officials decided to do nothing more and were reluctant even to discuss the case with Mr. Carslake's legal representatives.

After considering the huge amount of evidence submitted by Mr. Carslake and the council, the ombudsman produced a draft report, which he sent to Mr. Carslake and the councillors who were advising him for their comments. The two councillors in Bishop's Stortford who have represented Mr. Carslake for seven years deserve the compliments of the House for the way in which they have pursued the case, supported their client through thick and thin and helped him to try to get justice from the council.

When the report was published, it reflected none of the comments of either Mr. Carslake or the two councillors. Frankly, it was outrageously biased in the council's favour. This Parliament established the post of ombudsman to try to safeguard the interests of individuals against the council and other bureaucratic procedures. In spite of detailed evidence to the contrary submitted by Mr. Carslake, the ombudsman's report accepted all the council's statements as factual.

Thirdly, statements made by the council in its own favour were included in the report as fact, although they were untrue and the ombudsman had been given detailed evidence that they were untrue. Fourthly, the ombudsman totally ignored almost all the written evidence provided by Mr. Carslake and the two councillors. Moreover, the report in its final form was never submitted to Mr. Carslake so that he could comment on it.

Fifthly, there was not a word regarding the main thrust of Mr. Carslake's complaints—that is, misconduct, wilful misconduct and cover-up, all of which incorporated extremely serious allegations. In addition, a number of other highly relevant issues involving false and/or misleading statements by senior council officials were unaddressed, and remain so to this day.

Sixthly, Mr. Carslake's legal advisers had been given no opportunity to see and comment on the revised draft before its submission to the ombudsman. I understand that, under the ombudsman's terms of reference, that opportunity was improperly denied to Mr. Carslake.

Seventhly, Mr. Carslake was awarded the derisory and insulting sum of £250 compensation for out-of-pocket expenses and inconvenience. An independent, highly respected local surveyor assessed the amenity damage caused to Mr. Carslake's property at £10,000. Legal expenses alone of more than £10,000 have been incurred, and Mr. Carslake and the councillors involved have spent a huge amount of personal time on the case.

Mr. Carslake's lawyers have commented that, from the ombudsman's actions, it is clear that the validity and strength of Mr. Carslake's case have been systematically undermined, and that conclusions drawn in the report represented a high and unacceptable level of injustice. Those are highly respected planning lawyers, from some of the leading firms in this country.

My request that the ombudsman meet Mr. Carslake with the objective of resolving the difficulties was bluntly refused. In effect, the ombudsman has assisted in the cover-up and has shielded senior council officials from the consequences of their improper actions.

In conclusion, faced with the stony-faced bureaucrats of the council and of the ombudsman, I have had no alternative but to bring this very serious matter to the attention of the House and the Minister. I ask him to investigate the case immediately, with a view to giving an individual taxpayer justice, or to make certain that East Hertfordshire district council sets up its own independent investigation. Mr. Carslake has offered £10,000 to assist in defraying the costs of such an investigation, provided that the money is returned to him if the independent report finds in his favour.

I also request a review of the way in which councils conduct planning procedures and enforce planning permission conditions, and I ask the Minister to issue guidelines, or to amend the law, to prevent such injustices occurring.

Lastly, I ask for an investigation of the ombudsman to ensure that his procedures are effective and objective, using this case as an illustration of where he has failed in the past.

This is a case of the small man trying to achieve justice against the juggernaut of the bureaucracy. It is a case in which the machinery established by Parliament to protect the individual has failed to do so. I know that the Minister will share my concern and that of Mr. Carslake, and my desire to see justice done in this case and for all those many property holders, now and in future, who face, or will face, similar dilemmas.

10.29 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Nick Raynsford): I thank the hon. Member for Hertford and Stortford (Mr. Wells) for bringing this matter to the attention of the House. It may help if I briefly set out the origins of the case. I shall then respond to a number of the points that the hon. Gentleman raised, and make clear my understanding of the position.

I understand that, between about 1990 and 1993, Mr. Carslake's home, "Monkhams", Half Acres, Bishop's Stortford, Hertfordshire, was surrounded on three sides by housing development. Mr. Carslake exercised his rights to make representations about those developments. In respect of one, a bungalow immediately adjoining his home, he was given assurances by the local planning authority, East Hertfordshire district council, about its size.

When amended plans were subsequently put to the council, it did not reconsult Mr. Carslake, and when construction of the bungalow started, he was concerned to see that it was closer to his home than he had been promised and that, although part of the roof visible from his garden was lower, it was longer than he expected and had a chimney on the end gable. Mr. Carslake was also concerned about the redevelopment of a house a little further off from his home, which he felt was higher and larger than its predecessor.

Having looked into this matter, it appears to me that the nub of the issue lies not in the enforcement of planning conditions, but in the errors that the council made in consulting and reconsulting Mr. Carslake, and in the failure of attempts since then to resolve the matter.

I think it will help the House if at this point I outline the obligations on local planning authorities to notify neighbours of planning applications. Local planning authorities are required to publicise all planning applications so that people likely to be affected by a proposed development can express their views before decisions are taken.

As a minimum, authorities have to notify neighbours directly or place a notice on or near the site. For major applications—for example, the erection of 10 or more dwellings—local planning authorities are additionally required to advertise the proposal in a local newspaper. Generally, neighbour notification will be appropriate where the development is likely to be of interest to close neighbours only. Site notices can be particularly effective where there is doubt about who might have an interest. It is, of course, open to authorities both to notify neighbours and to post a site notice if they consider it appropriate and cost effective to do so.

These measures represent the statutory minimum requirements. Circular 15/92, "Publicity for Planning Applications", advises local planning authorities to consider what other methods of publicity are available for attracting a wider audience. There is no statutory obligation on local planning authorities to publicise changes to applications once they are accepted as valid,

[Mr. Nick Raynsford]

or to publicise applications required by a condition on a previous application, or for the approval of reserved matters. It is for the authority to decide whether further publicity is desirable in the light of the circumstances of the particular case.

In this instance, the local planning authority quite properly wrote to Mr. Carslake to inform him of the first planning application, and entered into correspondence with him about it, but unfortunately treated the subsequent amended plans as minor alterations to the proposal, and did not reconsult him.

Mr. Carslake has also expressed concern about the council withholding information from the public domain. Under the Local Government (Access to Information) Act 1985, the public have a general right of access to meetings of local authorities and their committees. That includes access to related documents. Such documents normally include minutes of meetings and reports presented to public meetings of the council, including background papers. There are exceptions in the case of certain sensitive material specified in the Act and, for example, authorities must never disclose information the disclosure of which is prohibited by a court of law.

Returning to Mr. Carslake's position, it is difficult to comment on a situation that has extended over several years and has clearly caused him considerable distress. The case has also greatly occupied the local authority. I think that it would be inappropriate for me to attempt to offer detailed views on who is right and who is wrong.

The situation now is that the local government ombudsman has investigated the matter, and published a report in February 1997. His findings were as follows. The ombudsman clearly found in Mr. Carslake's favour in respect of the injustice that he suffered as a result of the council's failure to consult him properly about the bungalow built next to his home. He found that there had been maladministration in the council's handling of the replacement dwelling house built a little to the south of Mr. Carslake's home, but that he had not suffered injustice. He found also no maladministration regarding two other matters of development control.

The ombudsman recommended a clear remedy: that the council should commission a valuation of any diminution in the value of Mr. Carslake's home as a result of the impact of the bungalow; and that compensation should be paid to him on that basis, in addition to a payment of £250 for his time and trouble in bringing the complaint.

It is a matter of regret that the ombudsman's recommendations have not been implemented, but I understand that that is due to the continuing disagreements between Mr. Carslake and the council. However, I also understand that in recent weeks the valuation has been recommissioned. Whether that valuation will resolve the matter within a reasonable time is entirely in the hands of Mr. Carslake and the council.

I note with concern that Mr. Carslake wants the independent valuation of his home to be undertaken on a basis that differs from that recommended by the ombudsman. He wants it to take account not only of the bungalow but of the replacement house to the south of his property. The ombudsman found very clearly that Mr. Carslake had suffered no injustice by the council's errors with regard to that house. However, Mr. Carslake has raised questions about the ombudsman's report, so I shall turn now to the role and status of the local government ombudsman.

The ombudsman was established by Parliament to consider complaints by individuals of alleged maladministration by a local authority causing injustice. An important aspect of the legislation governing the activities of the ombudsman is that it was designed to help those individuals who suffer injustice as a result of maladministration where there is no other method for them to seek a remedy.

As the hon. Member for Hertford and Stortford will be aware, the ombudsman is entirely independent of both central and local government. Decisions on whether to investigate complaints are, therefore, entirely at the discretion of the ombudsman, as is the manner in which complaints are investigated. Parliament decided that that independence was crucial to ensure that complainants could rely on a fair and impartial service. The House will understand that Ministers are therefore unable to intervene in the ombudsman's handling of his casework.

I understand that there has been considerable correspondence between Mr. Carslake and the ombudsman since investigations into Mr. Carslake's complaint were concluded and the ombudsman's report was issued in February of last year. Mr. Carslake disagrees with aspects of the ombudsman's conclusions, which has resulted in delays in assessing the diminution in value of Mr. Carslake's home. The ombudsman's reports into complaints are final, although his actions may be the subject of judicial review. The ombudsman also has an internal complaints system for dealing with complaints about the way in which he has behaved, or the way in which a complaint has been handled. However, if Mr. Carslake wants to make a new complaint about the planning issue, the ombudsman has said that he would be prepared to consider it.

I have considered carefully whether there is any action that my right hon. Friend the Secretary of State for the Environment, Transport and the Regions can take in the matter. I have to advise the House that there is no action that he could take. As I made clear a few moments ago, he cannot intervene in the deliberations of the ombudsman. My right hon. Friend's powers are entirely, and quite rightly, limited to those powers accorded to him by planning legislation. However, in that respect also, there is no action he can take.

All the planning decisions at issue were taken several years ago and have been implemented. The dispute does not appear to be about the enforcement of planning conditions; no one appears to have any remaining right of appeal to the Secretary of State; and there is no scheme outstanding over which he could exercise his exceptional power of call-in. It would not be appropriate for him to exercise his exceptional power to direct the revocation of any planning permissions, not only because substantial compensation would be payable to the owners of the buildings but because they could also lose their homes, which would be a harsh and absolutely unjustified consequence. In any case, the Secretary of State is extremely reluctant to intervene in matters of solely local significance, which this case is.

In my view, the way forward for all parties is perfectly clear. If Mr. Carslake has further grounds for complaint against the council, he should put them as soon as possible to the ombudsman, who will then consider whether there is a case to answer. If Mr. Carslake has complaints against the ombudsman himself, he should follow the course I outlined a few moments ago. Otherwise, I would urge him—I am sure that the hon. Member for Hertford and Stortford will convey the message—to allow the independent valuation to go ahead on the basis recommended by the ombudsman.

Question put and agreed to.

Adjourned accordingly at twenty minutes to Eleven o'clock.

House of Commons

Tuesday 1 December 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

WAYS AND MEANS

SESSIONAL RETURNS

Ordered,

That there be laid before the House Returns for Session 1997–98 of information and statistics relating to—

(1) Business of the House;

(2) Closure of Debate, Proposal of Question and Allocation of Time (including Programme Motions);

(3) Sittings of the House;

(4) Private Bills and Private Business;

(5) Public Bills;

(6) Delegated Legislation and Deregulation Orders;

(7) European Legislation, etc;

(8) Grand Committees;

(9) Chairman's Panel; and

(10) Select Committees.—[*The First Deputy Chairman of Ways and Means.*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH AFFAIRS

The Secretary of State was asked—

New Zealand

1. **Mr. Dafydd Wigley** (Caernarfon): What representations he has received from the New Zealand Government on matters relating to trade between New Zealand and the United Kingdom. [61419]

The Minister of State, Foreign and Commonwealth Office (Mr. Derek Fatchett): There have been no formal recent representations from the New Zealand Government on trade-related matters, but the New Zealand and United Kingdom Governments regularly co-operate on various matters, including trade.

Mr. Wigley: I am grateful for that answer and glad to understand that the New Zealand Government have not become over-enthusiastic about the difficulties with trade in sheep that arise from our domestic problems in the sheep sector. Will the Minister keep the New Zealand Government abreast of developments in that sector, so that they understand the difficulties under which farmers have been labouring in the United Kingdom? Hopefully, within a year or so, we may be able to withstand the full rigours of trade once again.

Mr. Fatchett: I am happy to give the right hon. Gentleman that commitment. We continue to discuss a range of trading issues with the New Zealand Government, including the trade in lamb, and we will certainly take up the points to which he referred.

Dr. Julian Lewis (New Forest, East): Will the Minister confirm that there is no prospect of this country trading its successful first-past-the-post electoral system for the disastrous proportional representation system, which has done so much to undermine parliamentary democracy in New Zealand?

Mr. Fatchett: I congratulate the hon. Gentleman on a very wise question. From my own perspective, I would say that we had a great deal to learn from New Zealand on that issue.

Middle East Peace Process

2. **Mr. Lawrie Quinn** (Scarborough and Whitby): When he next expects to meet President Arafat to discuss the implementation of the Wye agreement; and if he will make a statement. [61420]

4. **Mr. Neil Gerrard** (Walthamstow): If he will make a statement on the current situation regarding the middle east peace process. [61382]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): We will be doing everything we can to build on the breakthrough in the middle east peace process secured at Wye Plantation. Yesterday, the Minister of State, Foreign and Commonwealth Office, my right hon. Friend the Member for Leeds, Central (Mr. Fatchett), who has responsibility for middle eastern affairs, attended the donors' conference in Washington, and he has flown through the night to be with us today. He announced a package of assistance to the Palestinian authority and the United Nations Relief and Works Agency for Palestine refugees in the near east totalling more than £100 million, both bilateral and European Union.

My right hon. Friend the Prime Minister met President Arafat in London immediately before the Wye talks and we both met Mr. Netanyahu last week. We have congratulated both President Arafat and Mr. Netanyahu on their statesmanship in achieving the Wye agreement and on their courage on the start to implementing it.

Mr. Quinn: I thank my right hon. Friend for that statement. Does he agree that both the Prime Minister of Israel and President Arafat have shown considerable courage in concluding the Wye agreement? Will he tell us how the Government, with their European partners, will ensure that both sides show the same resolve after this period of negotiation to move to a final and lasting peace in the middle east?

Mr. Cook: I very much share the sentiments behind my hon. Friend's question. As I announced, Britain is

committed to major financial support for the peace process and is the largest donor to UNRWA, which deals with so many of the Palestinian social issues. One way in which Europe can greatly assist in taking forward the peace process is by achieving momentum on economic issues. I am delighted that we have secured the opening of Gaza airport and we must now achieve the same for the Gaza seaport. If we want peace to be deeply rooted, we must prove to ordinary Palestinians in Gaza and the west bank that they will also benefit in material terms from the peace process.

Mr. Gerrard: Does my right hon. Friend agree that, important though the Wye agreement may be, the fundamental foundation for lasting peace must be the Oslo accords and UN resolutions, some of which have still not been implemented, and which recognise the illegality of the occupation of the west bank and of the continued expansion of settlements there? Will he do what he can to emphasise to both sides, but in particular to the Government of Israel, that lasting peace and real security can be achieved only through honouring the promises made at Oslo?

Mr. Cook: My hon. Friend is right to draw attention to the fact that, although the Wye Plantation agreement is an important step, we have a long way to go. The significance of that agreement is that it is a step in the right direction, and it gives us an opportunity to build momentum to take us towards the final stages talks that were envisaged at Oslo. On the settlements, I said last week when Mr. Netanyahu was here, and have said on many occasions, that we would not want either side to take any provocative unilateral action that made it difficult to make progress on peace negotiations.

Zimbabwe

3. **Mr. Graham Brady** (Altrincham and Sale, West): What recent representations his Department has made on the issue of land reform in Zimbabwe; and if he will make a statement. [61421]

The Minister of State, Foreign and Commonwealth Office (Mr. Tony Lloyd): We have expressed our concern to the Zimbabwe Government about their decision to issue 841 acquisition orders. In our view, the Zimbabwe Government's actions represent a major step back from the position agreed by all sides at the land conference in September. We will continue to press the Zimbabwe Government to follow the due process of law, including the right of appeal against acquisition and for fair compensation.

Mr. Brady: I am grateful to the Minister for making clear the Government's opposition to the policy of the Zimbabwe Government in seeking to confiscate land, which is illegal, as he said, as well as racist. Will he make it clear that that condemnation extends to ceasing British Government aid to Zimbabwe should confiscation proceed?

Mr. Lloyd: No, because British aid to Zimbabwe is not programme aid. It is not Government-to-Government aid, but aid tied to projects that are designed to help the poorest people in Zimbabwe. It would be irresponsible to say that we wanted to pursue—as we do—co-operation with the Zimbabwean Government that would have the effect of distributing land in a way that favoured the poor of Zimbabwe while threatening to cut off aid designed to help precisely those poor Zimbabweans.

Mr. Ian Davidson (Glasgow, Pollok): Although I have criticisms of the way in which the Zimbabwean Government have proceeded, does the Minister accept that inequality of land ownership and control must be addressed? Will he undertake that the British Government will do all that they can to ensure that the severe difficulties faced by many ordinary Zimbabwean citizens are addressed?

Mr. Lloyd: Yes, consistent with what I have already told the House, the British Government have always made it clear that we would support a process of land acquisition that had certain features. The process must be transparent; at the moment, we do not have that certainty. It must be fair, which means that there must be an adequate compensation package and an adequate challenge regime. In particular, the land transfer must favour the very poorest people in Zimbabwe, not those who seek to better their own already well-funded personal circumstances. Within that, we will help the Zimbabweans, but not on the basis of their present proposals.

Mr. Michael Howard (Folkestone and Hythe): Does not the project aid of which the Minister spoke enable the Government of Zimbabwe to spend huge sums on prosecuting a war in the Congo? Is there not a case for reconsidering that aid in the light of that expenditure and of their land expropriation proposals?

Mr. Lloyd: No. That is not the effect of our assistance, which, whether the right hon. and learned Gentleman likes it or not, goes to the poorest people in Zimbabwe. If he believes that the Zimbabwean Government would replace British project aid with Zimbabwean Government assistance, he is wrong. It is in those circumstances that we will continue our policies for poverty eradication in Zimbabwe. We call upon not only the Zimbabweans, but all parties to the war in the Congo, to operate an effective ceasefire, get round the conference table and end the conflict.

Cuba

5. **Mr. Colin Pickthall** (West Lancashire): When he next intends to visit Cuba to discuss the state of its economy. [61383]

The Minister of State, Foreign and Commonwealth Office (Mr. Tony Lloyd): My right hon. Friend the Foreign Secretary has no plans to visit Cuba. However, my noble Friend the Under-Secretary made the first ministerial visit to Cuba under this Government in October, followed in November by my hon. Friend the Minister for Trade. Both discussed with their Cuban interlocutors, among other things, the prospects for the Cuban economy.

Mr. Pickthall: Does my hon. Friend share my dismay that, last month, the United States stepped up its trade

sanctions against Cuba? Does he agree that there is much to be gained by Britain and Cuba stepping up their trade relationships a gear, for example, in respect of food and engineering equipment exports? Cuba is desperate for both. Is there any way in which Britain can help Cuba in the development and marketing of the meningitis vaccine that it has produced, which would greatly benefit Britain and the world?

Mr. Lloyd: My hon. Friend knows that it has been the policy of successive Governments that constructive engagement with Cuba will be more helpful in bringing it to acceptance of basic democratic standards and human rights than the process pursued by the United States. He is right to point out that we already have many exchanges, in terms of both trade and science. A team from Imperial college will shortly make a third visit to Cuba to conduct a further assay and to follow up clinical tests in connection with the meningitis vaccine pioneered in Cuba. That vaccine is significant, and I met the research team who developed it some time ago. It may become the world's first and only effective vaccine against meningitis B. If the Imperial college team concludes accordingly, it will be put to the Medicines Control Agency for approval for licensing within the United Kingdom. That will be a great step forward, not only in the fight against meningitis, but for Cuban medical research.

Mr. John Wilkinson (Ruislip–Northwood): Is the Minister aware that Latin America will perceive Her Majesty's Government's policy toward Cuba as selective and partial, in that no fewer than six of Her Majesty's Ministers have visited that tiny island, whereas a comparable number have not visited other Latin American countries? The economy of Cuba is, to be candid, a basket case. Is the Minister aware that our exports to Cuba went down last year, from £24 million to a mere £19 million; that our exports to Chile, which has a population similar to that of Cuba, went up to £210 million—a rise of £44 million; and that our imports from Chile went up by £220 million, whereas imports from Cuba fell by £4 million? Is that a good investment on the part of Her Majesty's Government?

Mr. Lloyd: I am genuinely astonished if the Opposition believe that we should denigrate Cuba in particular and the Caribbean in general. If that is the import of the hon. Gentleman's comments, he is seriously wrong. We want to have strong relations, not only with Cuba and the Caribbean as a whole, but, beyond that, with Latin America. Our relations with Latin America have improved enormously in recent years and are continuing to improve. There has been, and will continue to be, a steady flow of ministerial visits, not only to Cuba, but to other parts of Latin America. That is good for Britain and good for Latin America. I am sorry that the hon. Gentleman does not share that view.

Western Sahara

6. **Mr. Jeremy Corbyn** (Islington, North): When he expects the UN to be able to conduct a referendum on the future of the western Sahara. [61385]

The Minister of State, Foreign and Commonwealth Office (Mr. Derek Fatchett): The UN has proposed to Morocco and the Polisario that a referendum should take place in December 1999. We hope that that deadline can be met.

Mr. Corbyn: Does the Minister share my disappointment that the Secretary-General of the United Nations should have proposed yet another delay, for a further year, to the referendum? Is not the real reason for that delay Morocco's obstruction of the process of registering refugees living in the camps and other people living in the region? Is not the UN being seriously obstructed in its desire to hold the referendum, which should have been held many years ago?

Is there anything my hon. Friend can do to ensure that MINURSO—the United Nations mission for the referendum in Western Sahara—carries on and is fully funded, and that the refugee camps are fully supported and funded? Above all, will he do what he can to ensure that the date of the referendum—currently December 1999—is significantly brought forward? If it is not, the UN will be brought into disrepute. I fear that Morocco will try to delay the referendum beyond that date and that the people of the western Sahara will be denied the opportunity to decide their own future.

Mr. Fatchett: It is important that the referendum should take place and that it should take place as early as possible. I share my hon. Friend's concern about the further delay. He is right to say that the referendum must be fair and be seen to be fair, and that it must have the confidence of all the parties. He is also right to conclude that the best way forward for the western Sahara is for the referendum to take place, because that is the only way in which we shall be able to determine the feelings and aspirations of the local people.

EU Enlargement

7. **Mr. Bernard Jenkin** (North Essex): If he will state his objectives for the Austrian EU presidency in respect of EU enlargement. [61386]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): The screening process for the first six candidate countries has now been completed for half of all the chapters of European law. Substantive negotiations have now begun on a quarter of them. At the Vienna European Council, we shall review the recent report of the Commission on all the dozen candidate countries, which concluded that most candidates were making good progress with their preparations for membership.

We must not underestimate the real problems in achieving the biggest-ever enlargement in the history of the European Union. Nevertheless, the Government firmly believe that the problems of enlargement are much less important than the benefits from strengthened prosperity, stability and democracy in central and eastern Europe.

Mr. Jenkin: It is now nine years since the Berlin wall came down; since then, some 20 to 30 former Soviet bloc states have been crying out for full inclusion in the institutions of western democracy. Has the EU not failed those countries, which are struggling to emerge from

poverty and misrule, by continuing to apply protectionist policies? Is it not clear that the European Union's real agenda is not enlargement, but monetary union, tax harmonisation and the Franco-German agenda of a single European state? A date is still to be set for the admission of a single former Soviet bloc state.

Mr. Cook: I gently remind the hon. Gentleman that I can take ministerial responsibility only for the last 18 months of those nine years. He might like to address his remarks to those who served on the previous Conservative Government's Front Bench. If he wishes to draw a parallel, he should look at what occurred during the last enlargement involving Austria, Finland and Sweden. It took three years to negotiate enlargement for only three countries, all of which were wealthy and were net contributors to the European budget. It is a bit rich for the hon. Gentleman to complain that we have not completed enlargement in nine months for 12 countries, all of which are poor and will be net recipients from the European budget.

Ms Rachel Squire (Dunfermline, West): Does my right hon. Friend agree that this Government have demonstrated a far more positive commitment to Europe in the past 18 months than the previous Government demonstrated in 18 years? As a result, this Government have far more credibility in arguing for progress on European enlargement than the previous Government who, for 18 years, adopted a narrow, isolationist approach to everything European.

Mr. Cook: The proof of my hon. Friend's point is borne out precisely by the fact that this Government have managed to start beef exports to Europe while the previous Government started a beef war with Europe.

However, there is room for further improvement. I can report to the House that the Minister of State, Foreign and Commonwealth Office, my right hon. Friend the Member for Gateshead, East and Washington, West (Ms Quin), is convening a new ministerial group to co-ordinate our policies on Europe. It will tomorrow hold its first meeting, which will be chaired by my right hon. Friend, and is an excellent advertisement for joined-up government.

Mr. Menzies Campbell (North-East Fife): Will the Foreign Secretary take this opportunity to state to candidates for membership of Europe and to existing members that the Government have no intention of proceeding down the road of tax harmonisation and that there is everything to be gained, and nothing to be lost, from concerted European-wide action against tax evasion?

Mr. Cook: The hon. and learned Gentleman will be aware that a Treasury Minister is leading the work within ECOFIN to take action on unfair tax breaks, which attract industry and investment from our country as well as from others in the European Union, in areas where we have a clear national interest in ensuring that there is a level playing field.

There are no proposals to harmonise either the zero rate on value added tax or income tax, for that matter. I do not believe that any such proposals could muster majority, never mind unanimous, support. We should all try to deal with the reality of Europe rather than with the fantasies that some people are trying to sell.

Dr. Norman A. Godman (Greenock and Inverclyde): Does my right hon. Friend agree that reform must precede enlargement? For example, there can surely be no enlargement before the common agricultural policy and the common fisheries policy are reformed. We should perhaps also examine the modus operandi of the European Parliament and the European Court of Justice.

Mr. Cook: My hon. Friend is absolutely correct: the onus for preparing for enlargement does not rest entirely with the candidate countries. The European Union must also do its work. A particularly important part of that work is reform of the CAP, which the European Union is committed to completing by next March. We believe that the 30 per cent. cut in intervention prices on beef, the 20 per cent. cut on cereals and the 15 per cent. reduction in milk quotas will have a major impact on the CAP and will save British consumers £1 billion a year. That is a prize well worth fighting for in the interests of Britain and of enlargement.

Qualified Majority Voting

8. **Mr. John Bercow** (Buckingham): If he will make a statement on the extension of qualified majority voting as a result of the treaty of Amsterdam. [61387]

The Minister of State, Foreign and Commonwealth Office (Ms Joyce Quin): As the hon. Gentleman will be aware from the parliamentary ratification of the Amsterdam treaty, qualified majority voting was extended in several areas, including the fight against fraud and promoting transparency. The Government believe that those extensions are very much in Britain's interests.

Mr. Bercow: Now that the Foreign Secretary's German counterpart, Joschka Fischer, has admitted that the creation of a single European state is the decisive task of our time, how can the right hon. Lady guarantee that qualified majority voting will never be used to introduce measures that would force this country to be a mere province of a single European state?

Ms Quin: It is clear from what was agreed at Amsterdam and in previous treaties that unanimity remains the rule in important areas, including institutional and treaty changes, and we are in favour of that. I remind the hon. Gentleman that significant extensions of qualified majority voting took place under the Maastricht treaty and probably the most significant extension was introduced by the Single European Act passed by Lady Thatcher's Government.

Mr. Mike Gapes (Ilford, South): Does my right hon. Friend agree that to make the European Union more democratic and functionally efficient, any EU enlargement will necessitate an extension of some forms of qualified majority voting? It is palpably absurd for the Conservative party, on the one hand, to call for enlargement seemingly without restrictions and, on the other hand, to oppose any extension of qualified majority voting.

Ms Quin: We are keen to make enlargement a success. As was made clear at Amsterdam, we shall have to consider the institutional arrangements foreseen in that

treaty to prepare for enlargement. We believe that we can do that while safeguarding the important areas that can progress only if all countries are in agreement.

Mr. Michael Howard (Folkestone and Hythe): First, I congratulate the right hon. Lady on her new, co-ordinating responsibilities, which the Foreign Secretary announced a few moments ago. I thank the Foreign Secretary for his astonishing admission that, for the past 18 months, the Government's European policies have not been properly co-ordinated.

In view of the apparent importance now attached by the Government to the veto, does the right hon. Lady now accept that the extension of majority voting at Amsterdam was a mistake? Is it not undeniable that she and her colleagues will now be utterly helpless in the face of measures that they claim to oppose, such as the extension of works councils?

Ms Quin: It is difficult to take seriously the right hon. and learned Gentleman's point about co-ordination because he was a member of a Government who were disunited on European issues. The purpose of the co-ordinating committee, which I shall chair, is simply to build on the success achieved by the Government during the British presidency, when Departments worked together effectively.

I am sorry that the right hon. and learned Gentleman insists on repeating completely unjustified scare stories which have been substantially aired during the past few days. The measures agreed under the Amsterdam treaty were very much in Britain's interests and do not affect the policy areas to which the right hon. and learned Gentleman referred.

Kosovo

9. **Ms Gisela Stuart** (Birmingham, Edgbaston): What discussions he has had with countries bordering the Former Republic of Yugoslavia about Kosovo. [61388]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): I visited Bulgaria, Macedonia and Romania in late October and Slovenia last week. Kosovo was one of the key elements of my discussions in all four countries. In Macedonia, I met Professor Agani, the leader of the Kosovar negotiating team, who expressed the thanks of the Kosovar people for Britain's efforts to secure an end to the conflict.

All four countries are developing closer ties with the European Union. So long as President Milosevic pursues policies of ethnic confrontation, he will condemn Serbia to be left further behind in the modern Europe.

Ms Stuart: Will my right hon. Friend assure me that the Government will continue to do everything to support those in Kosovo who seek a peaceful, negotiated solution to the problem? More specifically, what are the Government doing to support the development of independent media in the area?

Mr. Cook: I assure my hon. Friend that we are very much in the lead on the ground in Kosovo, making a reality of the Holbrooke package. As from this week, 73 British personnel will be attached to the Kosovo verification mission—one of the largest contributions from any European or international state. Media repression is a matter of grave concern, especially in view of the media law that was passed in October, which prevents all Serbian broadcasters from rebroadcasting foreign news agencies, including the BBC World Service. I have, therefore, asked my officials to investigate the feasibility and funding of a transmitter in the region which can rebroadcast those foreign news agencies. President Milosevic may not want his people to hear the truth, but it is important that we do not let his ban prevent them from doing so.

Mr. Michael Trend (Windsor): In the light of recent discussions on Kosovo, have the Government decided to send extra troops to Macedonia to join the NATO extraction force—troops, one supposes, which may be called on to operate in Kosovo? There was a report to that effect in yesterday's edition of *The Daily Telegraph*, and one on the BBC today, although I understand that no announcement has been made. Surely in this matter of potentially far-reaching consequences, the House is entitled to know what is going on.

Mr. Cook: There have been repeated statements on Kosovo; I made one only a couple of weeks ago. Indeed, preparations with regard to Macedonia, about which there have been questions, have been no secret. We have repeatedly said that we are willing to support the quadripartite unit in Macedonia; it flows from our discussions with Germany. We will be the second largest contingent in that force. Of course, we fully intend to hold President Milosevic to his assurance that the verification mission will not in any way be intimidated or hampered by the Serbian security forces, although it is important for reassurance that our capability is near at hand.

Mr. Ernie Ross (Dundee, West): How will Her Majesty's Government ensure that the plight of refugees and displaced people is improved as winter approaches, so that we do not see again horrific scenes of them in the mountains or under inadequate shelter?

Mr. Cook: I am pleased to say that we have achieved substantial progress in removing refugees from the open hillside and that, over the past two months since the Holbrooke package, the numbers have fallen from 50,000 to a few hundred. Nevertheless, my hon. Friend is quite right to express concern about the continuing position of refugees. Although they have returned to their former villages, many of their homes have been shelled. It is, therefore, essential that we continue the humanitarian effort to ensure that they are sheltered, fed and, with proper health support, are able to survive throughout the winter. Britain is very much in the lead in supporting that effort, and will continue to do so.

Myanmar

10. **Rev. Martin Smyth** (Belfast, South): What recent representations he has made to the Government of Myanmar concerning treatment of the Karen population. [61389]

The Minister of State, Foreign and Commonwealth Office (Mr. Derek Fatchett): We regularly make representations to the Burmese authorities on the treatment of ethnic minorities, including the Karen—most recently on 25 November.

Rev. Martin Smyth: I welcome the Minister's response. Does he agree that the State Peace and Development Council has perpetrated one of the most tragic scenarios of ethnic cleansing and genocide? What can be done internationally to stop such events, prevent further atrocities and aid victims, bearing in mind that hundreds of thousands of Karen and others have been so eliminated?

Mr. Fatchett: What has happened to the ethnic minorities in Burma is a true but sad reflection of the regime's nature. That is why we constantly argue for the international community to be vigilant, to maintain the pressure and to work for a restoration of democracy and a respect for human rights. We have provided £250,000 of humanitarian aid in the 1997–98 financial year. I also discussed the issue in Thailand earlier this year in order to ensure some co-ordination in providing support for ethnic minorities.

Mr. David Heath (Somerton and Frome): Given the uniquely abhorrent nature of the regime in Myanmar and the quite uncalled-for action against the Karen, Karenni and other peoples, will the Minister give an absolute assurance that the Government and the European Union will do everything possible to put pressure on the Myanmar authorities? To that end, will he explain why Mr. Win Aung, Foreign Secretary designate of Myanmar, was admitted to this country last week?

Mr. Fatchett: The answer to the hon. Gentleman's first question is yes, we shall continue to give that commitment.

The second question refers to the Burmese ambassador, who returned to the United Kingdom as ambassador, not as Foreign Secretary. When he becomes Foreign Secretary he will enjoy no right to enter the United Kingdom because of the European Union's common position. We shall certainly safeguard it; indeed, the United Kingdom strengthened that position at the most recent meeting of the General Affairs Council.

My position on Burma is now so strong that I have been told today that the Burmese authorities will not allow me to visit Burma. I see that as an accolade for the work that we have done and for our fight for human rights and democracy in Burma.

Mrs. Maria Fyfe (Glasgow, Maryhill): One of the Government's first actions was to stop financing trade missions to Burma, and many human rights activists throughout the world were very pleased about that. However, does my right hon. Friend agree that the campaign must be stepped up—that the destruction of human rights in Burma is so severe that we need a campaign on the scale of that mounted against apartheid in South Africa? What action is being taken by European Union states to advance that cause?

Mr. Fatchett: The European Union toughened its position in October 1998. We have strengthened our position against the regime on visa issues. We have also issued a statement advising people not to go to Burma as tourists. The position is strong. At the General Assembly of the United Nations on 12 November 1998, we co-sponsored a resolution again condemning the Burmese regime for its violation of human rights.

I very much share my hon. Friend's views. This issue should unite the House in condemnation of a regime that is unique in the atrocities that it commits against its own people.

Iraq

11. **Mr. Stephen Day** (Cheadle): If he will make a statement on the United Kingdom's relations with Iraq. [61390]

12. **Mr. Dale Campbell-Savours** (Workington): If he will discuss with his American counterpart future policy towards Iraq. [61391]

13. **Mr. Christopher Fraser** (Mid-Dorset and North Poole): What recent representations he has made to the Government of Iraq concerning the status of United Nations Security Council resolutions. [61392]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): We have made it clear to Saddam Hussein that our forces remain in the Gulf and remain on alert. If he breaks his undertaking to allow UNSCOM to resume inspections, we are prepared to take military action without further negotiation.

There will be no let-up in our pressure on Saddam Hussein until we are satisfied that he no longer has weapons of mass destruction with which to inflict on neighbouring countries the terror tactics that he uses to oppress his own people.

Mr. Day: The right hon. Gentleman will be aware that, at a recent Prime Minister's Question Time, my right hon. Friend the Leader of the Opposition suggested to the Prime Minister that it should be a prime objective of British policy to remove Saddam Hussein from power, and the Prime Minister appeared to agree with that suggestion. In the light of BBC reports that imply that the Government do not agree that removing Saddam Hussein is their prime objective, will the right hon. Gentleman please tell the House the exact position?

Mr. Cook: I do not know which BBC programmes the hon. Gentleman has been watching, but I have repeatedly said on the BBC that the whole world, including the Government, would welcome the removal of Saddam Hussein. That is why my right hon. Friend the Member for Leeds, Central (Mr. Fatchett), the Minister with responsibility for matters in the region, recently met representatives of all the opposition groups in Iraq and explored with them how we might help them. However, if they are to succeed, those groups must work together more closely.

Mr. Campbell-Savours: On the same question—my question having been asked earlier—is it not true that the American Administration has gone further? Following

passage through Congress of the Iraqi Liberation Act, effectively American foreign policy is now to engage more openly in the removal of Saddam Hussein, and America is helping that process by allocating $90-odd million to the Iraqi National Congress. Is there not a marginal distinction between our policy and American policy, and cannot we be more robust and adopt what I believe to be a better American position?

Mr. Cook: I am sorry to say that, as my hon. Friend's question has already been asked, it has already been answered. However, to respond to his last point, I do not think that it would be possible to find a country that has been more robust than the United States and the United Kingdom on the issue of Iraq. During the recent crisis, we gave authority for our pilots to take off unless Saddam backed down, which he did there and then.

We have shown great robustness on this issue and we shall certainly continue to do everything possible to assist those who wish to return Iraq to a more accountable system of government, and one that would engage with the international community. In the meantime, we shall continue our work to ensure, as best we can, that we provide the assistance that is required—humanitarian relief for the people of Iraq to spare them from the consequences of the way in which they have been oppressed by Saddam Hussein.

Mr. Fraser: What part does the fate of Kuwaiti prisoners play in assessing Iraq's compliance with United Nations resolutions?

Mr. Cook: The 600 people who were removed from Kuwait and are currently believed to be detained, or who were certainly detained for a time in Iraq, feature in United Nations Security Council resolutions. Therefore, if Iraq wishes fully to comply with those resolutions, which is a condition for the lifting of sanctions, it has either to produce those 600 people or to give a clear account both to Kuwait and to the international community of what has become of them.

Mr. Tam Dalyell (Linlithgow): What would be the objective of bombing Baghdad, a city of 4.5 million people with two ambulances, neither of which has oxygen, and a fire engine that possibly does not work—Dresden, perhaps?

Mr. Cook: The House would not expect me to disclose specific targeting plans, but I can say—

Mr. Dalyell: If my right hon. Friend talked to them properly, it would help.

Mr. Cook: My hon. Friend is very free with his allegations, so perhaps he will allow me to respond to them.

The plans that have developed take very careful account of the need to minimise casualties as far as possible, and especially civilian casualties. There is therefore no question of a mass bombing of Baghdad on the scale that my hon. Friend suggests.

I am sorry to hear that Baghdad has only two ambulances. There is absolutely no sanction to prevent Iraq from importing all the ambulances that it requires. Thanks to a resolution pioneered by the United Kingdom, Saddam Hussein can export $10 billion-worth of oil to pay for the import of food, medicines and humanitarian goods. If he is so short of ambulances, we would be delighted to assist, through the Sanctions Committee, in ascertaining how many ambulances he needs—if he would choose to put them on the list that he submits in place of some of the other claims for humanitarian goods that he has made, such as glass ashtrays, cigarettes, alcohol and plastic surgery.

Mr. Edward Leigh (Gainsborough): How do the Government envisage Saddam Hussein will be removed?

Mr. Cook: As I have said to the House, we have already met the Iraqi Opposition. We shall continue to work with them. We have no legal base for using force for the removal of Saddam Hussein, but we will use force to make sure that Security Council resolutions are implemented.

Mr. Harry Barnes (North-East Derbyshire): Do the Government share the Pentagon's estimate that 10,000 people would be killed in any bombing of Iraq? If not, what is the Government's estimate? Do they think that, whatever the number, it is a price worth paying?

Mr. Cook: First, I do not recognise that figure. We do not share that figure. Secondly, undoubtedly the price for Iraq's behaviour and Saddam Hussein's Government is being paid by the Iraqi people. I urge my hon. Friend to read the reports of the United Nations on human rights in Iraq, one of which was published only last month. He will see from them that, every year, thousands of people in Iraq pay with their lives for being ruled by Saddam Hussein.

Mr. Andrew Robathan (Blaby): Will the Foreign Secretary publicly express his support for the campaign of INDICT set up by the hon. Member for Cynon Valley (Ann Clwyd)? Will he act as best he may in international circles to have Saddam Hussein and others arraigned before either an international tribunal or an international criminal court as soon as possible, and thereby give hope to the many millions of people in Iraq who are terrorised by Saddam Hussein and want to see the international community to take action against him and split him from the peoples of Iraq?

Mr. Cook: I am pleased to say to the hon. Gentleman that the Government fully support INDICT. My right hon. Friend the Prime Minister is sending a message to the press conference today expressing that support on behalf of the Government. We are ready to look at any means by which Saddam Hussein may be brought before any international tribunal, but the Government's immediate priority is to ensure that we succeed in the establishment of an international criminal court, which would be very relevant to Saddam Hussein and to any future Saddam Hussein.

International Criminal Tribunals

14. **Ms Helen Southworth** (Warrington, South): If he will make a statement on his Department's support for the international criminal tribunals in Rwanda and the former Yugoslavia. [61393]

The Minister of State, Foreign and Commonwealth Office (Mr. Tony Lloyd): We strongly support the work of both tribunals and have given substantial assistance to both of them, in addition to our mandatory contributions.

Ms Southworth: What steps will the Government will take to ensure that President Milosevic complies with the UN resolutions and provides support for the Yugoslav tribunal's investigations into alleged crimes? Will my hon. Friend undertake that the British Government will consistently take a lead in making it clear to those who commit crimes against humanity—such as torture, murder and the taking of hostages—that they will find no hiding place anywhere in the civilised world?

Mr. Lloyd: We deplore the fact that President Milosevic has so far refused to co-operate with the international criminal tribunal on Yugoslavia, particularly with respect to Prosecutor Judge Arbour's desire to investigate recent events in Kosovo. There is no doubt that, under Security Council resolutions, he is as much liable to co-operate with the tribunal as he is to play a constructive role in, for example, political dialogue with the Kosovo Albanians or in humanitarian relief. That is not negotiable. The international community will continue to insist that the tribunal's work should not be interrupted by Milosevic or by any of those acting in his name.

On the more general issue, the clearest signal that we can give of the need for international justice in the modern world is the fact that yesterday the permanent representative of the United Kingdom at the United Nations signed the international criminal court's treaty, which means that Britain has committed itself to the long process of ratification of the treaty and to it becoming an effective instrument against the Milosevics, Pol Pots and Saddam Husseins of the future.

Mr. Geoffrey Clifton-Brown (Cotswold): Does the Minister think that, if crimes against humanity are to be dealt with, an international criminal tribunal is the way forward, whether for Yugoslavia or Rwanda? Would that not also be the correct way to view crimes against humanity in Chile? Should not the former President Pinochet be allowed to return to Chile so that the Chilean authorities can prosecute him, if that is their wish? Should there not be a properly constituted international court if such crimes are to be dealt with?

Mr. Lloyd: I shall pass over the inconsistency in the hon. Gentleman's comments. Of course we support the internationalisation of the process. That is why, as I told the House, Britain signed the documents relating to the international criminal court yesterday in New York. That is an important step forward in the internationalisation of justice and a strong signal to the Pinochets of the future that their actions will not be tolerated anywhere on this planet. However, the hon. Gentleman knows as well as I do that, at present, responsibility for Mr. Pinochet lies with my right hon. Friend the Home Secretary, who will make his views known in the fulness of time.

Private Military Companies

15. **Mr. Andrew Mackinlay** (Thurrock): What assessment he has made of the impact of the activities of private military companies operating wholly or in part from the United Kingdom on the implementation of UK foreign policy objectives. [61394]

The Minister of State, Foreign and Commonwealth Office (Mr. Tony Lloyd): Our concerns relate principally to private military companies which are involved in the supply of military equipment or other controlled goods and services in breach of the UK's national commitments, or which supply, or offer to supply, mercenaries or related military services. The activities of such companies could have—and, in some cases, clearly would have—an adverse impact on the implementation of the Government's foreign policy objectives.

Mr. Mackinlay: Is not one of the lessons of the Sandline affair that such private mercenary companies can cause acute embarrassment to the UK? Many people in this country find it repugnant that private military firms—mercenaries—can operate in the UK. Will my hon. Friend consider advancing within the United Nations a convention to control and monitor such outfits? Will he also consider bringing legislation before the House of Commons so that we can monitor, control and police those outfits? As we license the sale of arms, why do we not license and control those people who organise armies? It is time that we addressed ourselves to legislating to control them.

Mr. Lloyd: There is no doubt that the Government deplore the action of mercenaries. In a few weeks, I shall meet the United Nations special rapporteur on mercenaries, Mr. Ballesteros, whose mandate is to examine the use of mercenaries as a means of violating human rights and impeding the exercise of people's right to self-determination. That is the usual way in which mercenaries operate.

I must say to my hon. Friend that we have a problem. He referred obliquely to the UN convention on mercenaries, which we think is unworkable for legal reasons. The definition of mercenaries is not one that would get through a British court, and cases would simply fail. We are presently examining with other Departments the experience in South Africa, and in other countries that have looked at the legislative route, to find out what lessons that holds for Britain and whether it would offer a way forward to control those unacceptable activities.

Nigeria

16. **Mr. John Smith** (Vale of Glamorgan): What discussions he has had with EU member states about Nigeria. [61395]

The Minister of State, Foreign and Commonwealth Office (Mr. Tony Lloyd): We have frequent contact with our European Union partners about Nigeria, at all levels. In response to the improved political and economic

climate, the EU agreed a new common position on Nigeria on 1 November. That lifts most of the measures that had been in place since 1993. It will be reviewed no later than 1 June 1999, with a view to lifting the sanctions once the democratically elected civilian Government are installed. A copy of the text has been placed in the Library.

Mr. Smith: I am grateful to my hon. Friend for that reply. While I recognise the role that Britain has played, and is playing, in ensuring a return to democracy in Nigeria, can he assure the House that he, in conjunction with our European partners, will ensure that the Government do everything they can to make sure that next year's elections in Nigeria are successful?

Mr. Lloyd: There is no doubt that the electoral process, which kicks off this weekend with the local elections, is a seminal moment in the modern history of Nigeria. All Nigeria's friends would recognise that. Britain has been as closely involved as any friendly country, and we have been entirely supportive of the practical steps taken by the Head of State, General Abubakar, in moving his country towards a properly democratically elected Government. We will continue to support that process. Clearly, the House would also expect us to be vigilant to make sure that those who would derail the process are deterred from that. We want a civilian president and a civilian Government.

EU Enlargement

17. **Mr. Dennis Skinner** (Bolsover): When he expects to meet other EU Foreign Ministers to discuss enlargement. [61396]

The Minister of State, Foreign and Commonwealth Office (Ms Joyce Quin): My right hon. Friend the Foreign Secretary and I will attend the General Affairs Council in Brussels next Monday, which will discuss enlargement.

Mr. Skinner: Now that Germany is beginning to throw its weight around again, does it not worry my right hon. Friend the Minister, and other Ministers on the Treasury Bench, that some of the countries that are due to become applicants for the Common Market could be little more than satellites of Germany, based upon the fact that, geographically and in trading and economic terms, they are much nearer to Germany than to Britain?

There has been a position that has been long held—it was evinced by Mrs. Thatcher—that more countries joining the Common Market would result in its weakness. There is a possibility, now that the position is changing on the continent, that the opposite could be the case. The net result for our Chancellor of the Exchequer—whom we want to use his veto on any harmonisation of tax plans—could be that more qualified majority voting is the order of the day because of those satellite countries.

Ms Quin: Having talked with many of my counterparts in the countries that are applying to join the EU, I am conscious that they are proud that they now have their independence and that they are in an era that is different from the domination that they had to endure during the cold war. They are not keen to become satellites of any country, but they are keen to participate in the European Union of the future.

My hon. Friend mentioned trade, which is an important aspect. Germany is probably the country that does most trade with those countries, but I am keen for Britain to improve its trade—both exports and imports—with them. It is important for us to work closely with them in the years ahead leading up to the enlargement of the EU.

Mr. Patrick Nicholls (Teignbridge): Can the Minister say what effect enlargement will have on the work reported in this week's edition of *The Week*, which says that "valuable progress" has been made in regard to tax competition? It especially commends the work of the committee chaired by the Financial Secretary to the Treasury, which has been considering measures to bring about "tax levels significantly lower" than those applying in other countries.

Ms Quin: I, too, pay tribute to the work of the committee chaired by my hon. Friend the Financial Secretary, especially its efforts to tackle the tax evasion and competition that damage industry and chances of employment. I also applaud my hon. Friend's work in respect of the code of conduct, and on the way in which she has chaired the committee.

Mr. Robert N. Wareing (Liverpool, West Derby): Will next week's discussions include Cyprus's application to join the European Union? What has been the attitude of the Foreign Secretary's counterpart in the EU to that application, given that the Turkish Cypriots do not wish to take part in the negotiations?

Ms Quin: The position on Cyprus is as outlined in a recent debate in the House. The Government feel strongly that the application should be supported and that it should be seen as an important catalyst in the efforts to bring about reunification of the island and a settlement of its problems. We believe that that view is shared throughout the European Union. We want to make progress with the application, while at the same time promoting efforts—including those of the United Nations—to bring about reunification in a way that will give both the Turkish and the Greek Cypriot communities a sense of security and financial and economic prosperity for the future.

Miss Anne McIntosh (Vale of York): The Minister has emphasised the importance of trade with the applicant countries. Does she share my concern about rumours currently circulating in Brussels that the Czechs, Hungarians and Poles will unilaterally operate outside the Europe agreement, reject preferential rates of duty on exports of pigmeat from the European Union and apply the higher rate of duty within the World Trade Organisation? Will the Government take action in European circles to quash such moves?

Ms Quin: I am always reluctant to respond to rumours, but there are many ways in which those issues can be discussed with the applicant countries. We meet them regularly, and when we do so we discuss a range of trading issues with the aim of achieving a fair balance between the interests of the European Union and the very real interests of the applicant countries.

Indonesia

19. **Jane Griffiths** (Reading, East): If he will make a statement about the United Kingdom's relations with Indonesia. [61398]

The Minister of State, Foreign and Commonwealth Office (Mr. Derek Fatchett): We have substantial bilateral ties with Indonesia. We look forward to continuing to work with the Government of Indonesia in their efforts to bring about peaceful democratic reform and economic recovery.

Jane Griffiths: What steps are the Government taking to help Indonesia with political reform? What assistance will they offer the Indonesian Government in that regard and also to support the Indonesian economy?

Mr. Fatchett: We have encouraged the process of democratic reform because we think that it is the only way in which to build a new, stable Indonesia and to bring about economic recovery. When I was in Indonesia last month, I told President Habibie that we would help it to introduce democratic reforms, either bilaterally or through the European Union, by working on the procedures for elections. President Habibie acknowledged the nature of the offer, and I think we can say that we can look forward to working with the Indonesian Government on those issues and on human rights. I recognise, as does President Habibie, that progress can be made only through democratic reform.

Ron Arad

21. **Mr. Frank Roy** (Motherwell and Wishaw): What assessment he has made of the whereabouts of missing in action Israeli airman Ron Arad. [61400]

The Minister of State, Foreign and Commonwealth Office (Mr. Derek Fatchett): There is no conclusive evidence of the fate of Ron Arad. We cannot be sure where he is, who is holding him or, indeed, whether he is still alive. I met the family of Ron Arad when I visited Israel in January. It is important that the missing service men are not forgotten.

Mr. Roy: I thank my hon. Friend for his answer. Ron Arad was captured in the Lebanon in 1986—12 long years ago. While encouraging the more moderate elements of the Iranian Government, when my hon. Friend next speaks to that Government, will he ask them what they know about the whereabouts of the airman and the other Israeli service men who have been missing since the early 1980s? I am sure that he agrees that 12 years is a long time for families not to know the whereabouts of their loved ones.

Mr. Fatchett: I have no difficulty in agreeing with my hon. Friend. When I met members of Ron Arad's family earlier this year, I could see the suffering that they had undergone over all those years. We will take every opportunity to raise the issue with anyone who can provide information on the whereabouts of Ron Arad and other missing service men.

Points of Order

3.31 pm

Mrs. Theresa May (Maidenhead): On a point of order, Madam Speaker. I wish to seek your guidance on a statement that was made by the Minister for School Standards to hon. Members in a Standing Committee, and on the record of that statement. I have informed the Minister of this point of order.

On 18 November, in the Eighth Standing Committee on Delegated Legislation debating the Education (Infant Class Sizes) (England) Regulations, I referred to the fact that the regulations had been laid and had come into force during the parliamentary recess, thus ensuring that there could be no debate on them before they came into force. The Minister responded by saying that I should have spoken to Baroness Blatch, as the regulations had been announced on 27 April and discussed in the other place on 5 May. Column 21 of the *Official Report* of that Standing Committee debate refers to those statements.

I have spoken to Baroness Blatch. She has made inquiries in another place into the matter and I gather that the Minister's statement was false. The regulations were not announced on 27 April and were not discussed in the other place on 5 May. Indeed, I understand that, as the primary legislation was still going through the House, it would not have been possible to discuss the regulations, which were in the form of secondary legislation.

The Minister's comments to the Standing Committee were obviously misleading; I can assume only that she was given incorrect information by her officials. Madam Speaker, I seek your guidance on how the record on the matter can be set straight.

Madam Speaker: Neither I nor any occupant of the Chair in Committee can be responsible for the accuracy, or otherwise, of ministerial statements. I refer the hon. Lady to the Order Paper. Perhaps she will find ways of pursuing the matter. I am afraid that, in this instance, I cannot help her. I am not responsible for ministerial statements.

Orders of the Day

Debate on the Address

[SIXTH DAY]

Order read for resuming adjourned debate on Question [24 November],

That an humble Address be presented to Her Majesty, as follows:—

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.—*[Mr. Ashton.]*

Question again proposed.

The Economy

Madam Speaker: We now come to the main business. I have selected the amendment standing in the name of the Leader of the Opposition. Just after 10 o'clock, I shall ask for the amendment standing in the name of the right hon. Member for Yeovil (Mr. Ashdown) to be moved formally. I have had to impose a 15-minute limit on speeches by Back Benchers between the hours of 7 and 9 pm.

3.33 pm

Mr. Francis Maude (Horsham): I beg to move, as an amendment to the Address, at the end of the Question to add:

"But humbly regret that the Gracious Speech contains no proposals to save jobs or help businesses, but instead continues the policies that are pushing Britain's economy into a sharper downturn than is forecast for any other major EU economy; call on the Government instead to pursue policies of maintaining Britain's competitiveness by reversing its proposals which increase costs on business and to return to the policies conducted by the previous Government which left a golden economic legacy of low inflation, steady and sustainable growth and falling unemployment; and also urge the Government to make a clear statement of its position on the question of European tax harmonisation."

The second Session of any Government should be a period of maximum purposeful activity. The Government have had the chance to play themselves in, to prepare major plans and to act in a genuinely long-term way. Instead, they have squandered the opportunity to make real and needed changes and to make genuine improvements to health and education; most reprehensibly of all, they have missed the chance to mitigate the effects of the economic downturn that Britain now faces, a downturn that was triggered by the Government's blunders and will be prolonged and deepened by their refusal to recognise their mistakes.

Mr. James Plaskitt (Warwick and Leamington): Will the right hon. Gentleman give way?

Mr. Maude: In a little while.

The House will be surprised that the Chief Secretary to the Treasury has been entrusted with the debate. Last time he led for the Government, he got into seriously hot water for using his speech to bully the Bank of England's Monetary Policy Committee. "Major gaffe," the newspapers reported. "Chief Secretary on the Chancellor's carpet," they said, so it is surprising that the Chancellor of the Exchequer has let him out again.

That is why we have heard so much from the Economic Secretary to the Treasury recently. This is the first Treasury event in the House for some time that has not been fronted by her. She is the Minister who steps in where her colleagues are forbidden to tread.

Several hon. Members *rose—*

Mr. Maude: I am overcome with these blandishments, but I give way to my hon. Friend the Member for Arundel and South Downs (Mr. Flight).

Mr. Howard Flight (Arundel and South Downs): I thank my right hon. Friend. The Government have become control freaks to such an extent that they seem to have circulated to Opposition Members their 10 questions to ask the shadow Chancellor today. To help them on their way, may I begin by asking the shadow Chancellor

"why he is opposing the extra £40 billion for our public services"

that the Government have guaranteed?

Mr. Maude: The House will be grateful to my hon. Friend for saving a Government Back Bencher the trouble of having to read out that prepared intervention. As he knows, of course we are not opposing £40 billion extra for health and education. We are opposing the Government's failure to implement their own pledges on welfare reform, and their reversal of the fall in welfare spending as a proportion of national income spending, putting it back on an upwards path.

Mr. Plaskitt: The right hon. Gentleman, within seconds of starting his speech, used the word "downturn". May I draw his attention to paragraph 9 of the minutes of the Bank of England's Monetary Policy Committee meeting of November 4 and 5, which state:

"the tone of some public comment had moved from predicting a slowdown through a downturn . . . That was extreme"?

Is the right hon. Gentleman satisfied to have joined the extremists?

Mr. Maude: The hon. Gentleman is off-message already, showing dangerous signs of thinking for himself. This may be shattering news to him, but the Treasury's own figures and the consensus view of outside forecasters demonstrate disbelief in the Chancellor's comments on the course of the economy. Outside forecasters are predicting a downturn. Although the hon. Gentleman undoubtedly thinks that he knows better, the Bank of England, the Confederation of British Industry and the Organisation for Economic Co-operation and Development do not believe the Chancellor's forecast. The hon. Gentleman may believe the forecast, but that may say more about him than it does about the others.

The Chief Secretary to the Treasury is standing in today for the Chancellor. It is surprising that he has been allowed out on his own, but probably every other Treasury Minister is too busy harmonising. The Financial Secretary to the Treasury is busy chairing the European Union code of conduct on harmonising business taxes in the European Union. The Chancellor is even busier today, at the Economic and Finance Council, harmonising other taxes. It is lovely to see the Paymaster General in the Chamber—welcome back to him. He is busy deciding how to harmonise his business past with the requirements of the Companies Acts and of the House.

Mr. Christopher Leslie (Shipley): On a point of order, Madam Speaker. Earlier today, I was looking at page 421 of "Erskine May", which states:

"In debate a Member is required to declare 'any relevant pecuniary interest or benefit of whatever nature, whether direct or indirect, that he may have had, may have or may be expecting to have'."

I notice, from the Register of Members' Interests, that the right hon. Member for Horsham (Mr. Maude) said that he undertakes remunerated advisory work for Morgan Stanley investment bankers. As we are debating the economy, should he not have declared that interest at the beginning of his speech?

Madam Speaker: I cannot deal from the Chair with an interest if an hon. Member has already declared it in the Register of Members' Interests.

Mr. Tony McNulty (Harrow, East): Further to that point of order, Madam Speaker.

Madam Speaker: I have dealt with it.

Mr. Maude: The hon. Member for Shipley (Mr. Leslie), in his slavish desire to ingratiate himself with his masters, gets it wrong again. I stated in the Register of Members' Interests that I may from time to time undertake such work. He will be delighted and reassured to know that I have not done so. He has therefore missed the mark once again, as we are coming to expect from him.

We support some things in the Queen's Speech. As my right hon. Friend the Leader of the Opposition said last Tuesday, we welcome partial privatisation of the Commonwealth Development Corporation. It will now become free to build on the valuable work that it has done previously with developing countries without being hamstrung by Treasury rules. Of course we welcome the conversion of the Secretary of State for International Development to the idea of privatisation and look forward with keen anticipation to hearing her arguing the case.

I should now like to say a word about the financial services and markets Bill. Let me reassure the hon. Member for Shipley (Mr. Leslie) that I am on the boards of two companies that will fall to be regulated under that measure. Those interests are fully disclosed in the Register of Members' Interests. There is, therefore, a serious danger of my knowing something about the subject.

The financial services industry is a British world-beating success story. Having it properly regulated so that the confidence of investors that their interests are adequately protected is not outweighed by the costs and burdens of the regulatory system is crucial, but the Government's handling of the Bill has been lamentable. They rushed clumsily into their plans last May, renaming the Securities and Investments Board and nearly precipitating the resignation of the Governor of the Bank of England. Having created turmoil, they then took 14 months to produce a draft Bill, which is quite simply a mess and has been widely criticised. It gives sweeping and ill-defined powers to the Financial Services Authority and probably breaches the European convention on human rights. It threatens huge extra compliance costs for firms, leading to more expense for savers and weakening the competitive position of the City in international markets.

The Bill ran into a hail of opposition and criticism and the Government now admit that it cannot be introduced in anything like its present draft form. The Chancellor blames the instability of the global market on the lack of proper regulation, yet at home he cannot produce a Bill on time. The Financial Services Authority continues to operate without proper statutory cover and there is continuing uncertainty and alarm in the City about the powers, scope and structure of the Government's regulatory regime.

We shall be constructive in our criticism in order to get a better Bill on the statute book. We do not see the need to delay the Bill further into the next Session and we do not agree that it is appropriate for the carry-over procedure.

Ms Sally Keeble (Northampton, North): The right hon. Gentleman has declared his jobs in the sector which clearly give him an understanding of it, but does he accept that his interpretation will be from the producer side and not from the consumer side? He should not forget that the Bill aims to protect consumers and investors and to regulate the market.

Mr. Maude: The hon. Lady misses the point that consumers have an interest in investment products being made available competitively in a way that gives them free choice. Consumers are not served by a system that places such heavy costs on the financial services industry, as they will suffer from a lack of choice and excessive costs. In this, as in any other sector, the cost of over-heavy regulation eventually falls on the consumer, as the hon. Lady ought to understand.

Mr. Geraint Davies (Croydon, Central): How does the right hon. Gentleman square his argument for clarity in the regulatory regime with his declared view on the media that the Bank of England is either too independent or not independent enough? Which should it be—independent or not?

Mr. Maude: The hon. Gentleman has done well. He has skipped one to nine and gone straight to 10. It is a pretty feeble question and he has asked it several times. The Chancellor of the Exchequer could not answer that question until three days after the election. I am not prepared to answer it three years before the next election.

The economy should dominate the Government's thoughts and actions as Britain stands on the brink of the most severe downturn—*[Interruption.]* I am using that word—anywhere in Europe and north America. Incredibly, at a time when people's jobs and businesses are on the line, the Queen's Speech contained not a single measure to make it easier for anyone to get a job.

Mr. Steve McCabe (Birmingham, Hall Green) *rose—*

Mr. Maude: I am going to make some progress now.

By their decision not to include even one Bill that would make it easier for people to get a job or keep the one that they have, the Labour Government have made their priorities abundantly clear to the whole country.

Mr. Dale Campbell-Savours (Workington): Perhaps I can further develop No. 8 on the list. The right hon. Gentleman cannot say that he does not know the answer, because he has been given notice of the question. Constituents of mine have asked me to ask the right hon. Gentleman a simple question. They say that they earn very low pay and are pleased that, after all these years, a Labour Government are introducing a national minimum

[Mr. Dale Campbell-Savours]

wage. The Conservatives want to block that and then remove it, I understand. Will the right hon. Gentleman confirm that, at the next general election, the Conservative party will stand on a platform of ending the national minimum wage and reducing the pay of many thousands of people in my constituency—yes or no?

Mr. Maude: I have a high regard for the hon. Gentleman and I am sorry that he could not think of his own question instead of taking a handout from the Whips. The Leader of the Opposition said:

"I think it would in fact be very foolish, and most people in the party accept it, if the party started writing its . . . plans now."

That was the Leader of the Opposition—in 1995.

Mr. Campbell-Savours: I have not asked what we said; I have asked the right hon. Gentleman what he thinks and what the Conservatives believe. Will their policy at the next election be to end the national minimum wage? If so, let us have a yes or no answer now, with no dithering.

Mr. Maude: I admire the hon. Gentleman's persistence, but what was good enough for the then Leader of the Opposition, now the Prime Minister—*[Interruption.]* Labour Members are very much out of order now. They are criticising their leader. It is not acceptable for him to have said that he would not announce his plans then. That is what he said in 1995, but it is not good enough for them. I am surprised that they did not express their criticism at the time.

Dr. George Turner (North-West Norfolk): The amendment on the Order Paper, for which I assume that we are asked to vote, calls for a

"return to the policies conducted by the previous Government".

Surely the right hon. Gentleman will tell us to which policies he wants to return. Does he mean abolishing the changes that have taken place under this Government, such as the minimum wage? How can he expect the House to vote for a motion if he will not tell us what it means?

Mr. Maude: The amendment means returning to policies that created high growth, low inflation, falling unemployment and rising living standards.

Several hon. Members *rose—*

Mr. Maude: It is a delight to see so many Labour Members wanting to intervene. I do not know whether all their pagers went off at once to make them all spring up at the same time. Perhaps they are being given a new line that has not yet been printed.

Ms Helen Southworth (Warrington, South): Does the right hon. Gentleman want to return to one of the dearly held policies of the past—interest rates of 15 per cent?

Mr. Maude: That is No. 6. I shall let the hon. Lady into a secret: her party is in government now; we ask the questions.

Although the CBI reports that business confidence is at an all-time low, Government complacency is at an all-time high. Every time a Labour Back Bencher stands up to intervene, their arrogant complacency and refusal to answer basic questions about the Government's policies illustrate my point.

Several hon. Members *rose—*

Mr. Maude: I want to make a little progress now. I have been very generous in giving way and I think that we have almost gone through the list of 10 questions.

Mr. Ivan Lewis (Bury, South) *rose—*

Mr. Maude: Perhaps the hon. Gentleman will ask the remaining questions together, which would save time.

Mr. Lewis: The right hon. Gentleman cannot define the policies to which he wants to return because, at general elections, the electorate vote primarily on economic competence. The reason for the biggest landslide in living memory on 1 May 1997 was primarily the Conservative party's economic record of boom and bust. That is why the British people will not allow the right hon. Gentleman back into office to implement his policies.

Mr. Maude: I think that the hon. Gentleman could have done a better job in clearing up the remaining questions. Again, I quote what the Prime Minister said when he was Leader of the Opposition:

"I don't believe people do expect us to say well by such and such a date there will be X hundreds of thousands of jobs, we will tell you exactly what the minimum wage is now, we'll write our budget in advance of getting into power".

If that was good enough then, it should be good enough now.

Several hon. Members *rose—*

Mr. Maude: I am going to make progress.

Dr. Nick Palmer (Broxtowe): On a point of order, Madam Speaker.

Madam Speaker: I think that there will be a point of frustration if the hon. Gentleman is not able to intervene.

Dr. Palmer: I am puzzled as to why the right hon. Gentleman is unwilling to deal with the points in the motion that he tabled. As a new Member, I am not clear whether it is in order for him to refuse to address the points in a motion that he tabled.

Madam Speaker: That is not a point of order.

Mr. Maude: I have been keen to give all Labour Members the opportunity to ask the prepared questions to earn their colours and to ingratiate themselves with the control-freak tendency, but I think that the patience of the House will soon diminish if that process continues.

The arrogant complacency—*[Interruption.]* Every response that Labour Members make and every note in their braying voices illustrate their arrogant complacency and their refusal to accept that there are any problems.

Dr. Desmond Turner (Brighton, Kemptown): Will the right hon. Gentleman give way?

Mr. Maude: No. I have said that I propose to proceed.

The Government have blamed everyone but themselves for the economic downturn. They have blamed the Asians, the Russians, Britain's managers and greedy workers; the Chief Secretary has blamed the Bank of England. No one can pretend that Britain is immune from international economic difficulties, but global turbulence makes it doubly important that policies are right at home. Britain's economy started to turn down before the Russian and Latin American problems surfaced. Most countries around the world are not sliding towards recession, yet every day there is more evidence that things are going wrong in Britain.

The CBI survey shows that confidence in the service sector is slipping yet further. The Institute of Purchasing Management monthly survey shows that manufacturing output has fallen at its sharpest rate for seven years and that manufacturing industry has contracted for eight consecutive months. Is it any wonder that barely anyone believes the Chancellor's fantasy forecasts for economic growth? The Bank of England does not believe him, nor do the CBI or the Organisation for Economic Co-operation and Development—

Mr. Martin Salter (Reading, West): Will the right hon. Gentleman give way?

Mr. Maude: No. I am going to make progress.

Even a Treasury publication shows that the consensus of outside forecasts is well below the Chancellor's forecast—for next year, the year after and the year after that. Only a handful of old faithfuls, headed by the chief economist at the Trades Union Congress, believe the complacent nonsense that the Chancellor hands out.

The downturn was triggered by Government policy blunders and has been prolonged by their refusal to acknowledge the problems that they created. They made four basic blunders: the reckless spending spree—

Several hon. Members *rose—*

Mr. Maude: I think that Labour Members are all on question No. 2, which I have already answered. Social security spending is set to increase by £37 billion over the next three years, which is almost as much as the increases in health and education spending put together.

Mr. Derek Twigg (Halton) *rose—*

Mr. Maude: The Labour party committed itself in its manifesto to cutting social security bills and the Prime Minister said the same immediately after the general election. Perhaps the hon. Gentleman will explain what went wrong. Why has the Prime Minister's clear pledge in absolute terms to cut social security bills resulted in an increase in social security spending of £37 billion?

Mr. Twigg: The right hon. Gentleman has been asked this question many times. Will he tell us what the Conservative party would cut out of the £40 billion if they were in government?

Mr. Maude: None of it. We have said so many times. I am sorry that the hon. Gentleman could not answer my question, which was: what went wrong with the Prime Minister's clear pledge to cut social security bills and how has it turned into a £37 billion increase? He cannot answer it.

The second blunder was the attack on savings, which fuelled spending and kept interest rates higher than they need have been, and the 17 tax rises, which have stoked inflation and put up interest rates. The Government have piled new costs on to businesses when they are least able to cope. Interest rates are higher than they need be and businesses are less able to withstand the downturn. What of the £40 billion in extra taxes and costs—no less than £1,500 per person employed?

Mr. Salter *rose—*

Mr. Maude: I will not give way, as I must make some progress.

The Government's measures are also boosting inflation, as the Bank of England has said. The problems in the economy are getting worse and the Government simply will not accept them. Their new favourite topic is productivity. The Prime Minister, like the Chancellor and the Secretary of State for Trade and Industry, without a day's—

Mr. Barry Sheerman (Huddersfield) *rose—*

Mr. Maude: I will not give way. I intend to make progress.

The Prime Minister, the Chancellor and the Secretary of State for Trade and Industry, without a day's business experience between them, have even had the impertinence to lecture business. The Prime Minister has said, "Be honest. Your fundamental problem is not high interest rates or a high pound; it is too few first-class managers." There is Labour's scapegoat, productivity and bad management.

What does the Chief Secretary to the Treasury think that the chairman of BMW meant—I raised this in our last debate on the subject, but did not receive an answer—when he said in 1995:

"Great Britain is currently the most attractive country among all European locations for producing cars"?

What has changed since then? Now, BMW is having to be bribed by the Department of Trade and Industry to keep Longbridge open. It is the same plant, management and work force, but a different Government, and that is what has changed. They are a Government who have increased costs on business and made productivity worse. That is why barely a day goes by without more jobs lost and more business failures—*[Interruption.]*

Madam Speaker: Order. The right hon. Member for Horsham (Mr. Maude) has made it clear that he will not give way for a while, so hon. Members should not persist in trying to intervene for the time being.

Mr. Maude: Last Friday—black Friday—no fewer than 4,200 job losses were announced, including job losses in BMW, which was lauding Britain's productivity to the skies barely three years ago. Today, it has been announced that 1,250 jobs are to go at Courtaulds Textiles. That is what is going on in the economy. The Government should admit it and take steps to mitigate the effects.

[Mr. Maude]

The Queen's Speech was curiously silent on another important subject—

Several hon. Members *rose—*

Mr. Maude: No. I am making progress. The Speech contained much about the Government helping to prepare the European Union for historic challenges—talk of working with European partners to promote economic reforms and of preparations for the introduction of the euro—but nothing about the principal European issue of the day. If it were not so damaging to the country, a certain innocent pleasure could be had from the spectacle of the Chancellor tying himself in ever-tighter knots over European tax harmonisation. On that issue, as on so many before, the Government are trying to have it both ways and to be all things to all men.

When the right hon. Gentleman is in Britain, he says that tax harmonisation is not the way forward for Europe and that Britain's tax decisions will be made in Britain. However, according to "The New European Way", which he has signed and which, apparently, was not drafted a million miles away from him,

"We must make further progress in tax and benefit reform by co-ordinating savings and corporate taxation."

In Britain, he says that no one is proposing any change in value added tax, but the European Commission has published a policy document entitled "A Common System of VAT", which states that the present system has to be replaced and advocates the abolition of the VAT-free circulation of goods, so there is such a proposal.

The Chief Secretary to the Treasury (Mr. Stephen Byers): I regret the fact that the right hon. Gentleman did not read out the paragraph to which he referred, because he omitted some important words. For the record, I draw his attention to the words that he missed out. The document clearly states:

"We must make further progress in tax and benefit reform to help safeguard and create jobs in Europe by implementing an effective code of conduct."

I regret his failure to mention why that was necessary.

Mr. Maude: I am grateful to the right hon. Gentleman for amplifying and confirming my point: there is a clear commitment in Labour policy documents to taking further a process of tax co-ordination and harmonisation that can only increase Britain's taxes to continental levels.

Mr. Paul Marsden (Shrewsbury and Atcham): Will the right hon. Gentleman give way?

Mr. Maude: I am not giving way now, but I shall in a little while.

In Britain, the Chancellor says that the central issue for Europe is not tax harmonisation. However, Mr. Monti, the European tax Commissioner, says:

"As far as taxation is concerned, we have the UK fully on board."

The Government cannot continue to have it both ways. Why cannot the Chief Secretary make an unequivocal statement on where the Government stand? The Government seem to inhabit a parallel universe, where they have not done what they have done and where they did not say what they said.

I would like the Chief Secretary to answer three key questions. First, does he agree with his colleagues on the continent that the single currency will tend to lead to tax harmonisation? The German Finance Minister thinks so. Mr. Lafontaine said:

"It is necessary to harmonise tax policy. A unified currency area needs a fair and equal tax framework."

The Austrian Finance Minister thinks so, too. He said:

"EMU will make it imperative to start co-ordinating the sphere of taxation. The Social Democrat Governments will also have to look at harmonising price and wage policy."

The French Finance Minister thinks so. He is confident about it; I do not know who has been tipping him the wink. He said that Britain would be

"won round to tax harmonisation by the end of the German presidency"

in the middle of next year.

That is what the Chancellor's continental colleagues think. They have a clear opinion on the issue. What does the British Finance Minister think? Does he agree with them that the road to economic and monetary union also tends to lead to tax harmonisation—yes or no? A simple nod or shake of the head will do. The Chief Secretary nods; he agrees. *[Interruption.]* He is being particularly helpful and illustrates my point perfectly. Asked whether he agrees, first he nods and then he shakes his head.

Mr. Byers: The right hon. Gentleman will have to wait for my speech, in which I shall address specifically the questions that he has raised in his.

Mr. Maude: It is all things to all men: a nod one moment, a shake the next; yes to one side, no to the other. No wonder the Government are in chaos.

I come to my second question. If the Chief Secretary cannot comment on the proposals from Europe—we wait with keen anticipation to hear what he will say—perhaps he can comment on Labour's policy paper. This revealing document states:

"The single currency is bound to lead to closer integration in some areas for those member states that participate, though Labour believes member states must retain their own control over public spending levels and personal tax rates."

What about the rest? Why is it Labour's policy only to protect personal tax rates? What about business tax rates, savings rates, savings taxes and stamp duty? Are they all up for grabs? Is the game up already?

Mr. Paul Marsden: Will the right hon. Gentleman give way?

Mr. Maude: I would give way to the Chief Secretary if he were prepared to answer my question. The Prime Minister has done the same thing and protected Britain's position on personal taxes only, with everything else left up for grabs. Will the Chief Secretary explain why? If he cannot, will he answer my third question and give us some

guidance on specific taxes? Will he give a binding commitment not to raise Britain's rates of stamp duty on house purchases to the level of our partners?

Ms Keeble: Will the right hon. Gentleman give way?

Ms Claire Ward (Watford): Will the right hon. Gentleman give way?

Mr. Maude: I will give way to the Chief Secretary if he wishes to respond to my question. Will the rate be raised to the level of our partners—yes or no? He could again shake his head, nod or do both as before; at least we would have some idea. Will he veto the imposition of the withholding tax on savings, which will put 10,000 jobs at risk in the financial services industry? Will he use the veto to protect Britain's rates of value added tax—yes or no? Will he veto any European energy taxes—yes or no? Will he veto the harmonisation of corporation tax—yes or no?

Perhaps the most ridiculous spectacle of all is cut by the Financial Secretary to the Treasury. In Britain, she introduced a tax break for the British film industry; we were told that it was a flagship measure, designed to promote employment, investment and opportunities. The hon. Lady and her friends were pretty pleased with themselves, but they reckoned without the chairperson of the European Union working group set up to eliminate harmful tax competition, who is busy clamping down on unfair tax breaks to particular industries, such as film making. The chairperson of the working group will come to the Treasury to demand action from the Financial Secretary and there will be an angry confrontation.

Who will win that battle of the titans? Will it be the chairperson of the working group, or the Financial Secretary? Well, it turns out that they are one and the same person. The hon. Lady is going to face herself across the table, look herself in the eye and tell herself that such tax breaks are totally unacceptable and must be stopped immediately. Will she face herself down and insist on fighting for Britain's tax sovereignty against her European alter ego? Will she keep in with Britain, or cave in to Europe? Will she stand up for Britain, or speak up for Europe? The choice is hers. The Government are split down the middle and the Financial Secretary is as well.

The Government are spinning out of control, saying one thing one day and another the next. Yesterday, in a story in the *Financial Times* which was clearly briefed from No. 10, the Prime Minister was all for some tax harmonisation. It said:

"There is a growing realisation among ministers that some forms of tax harmonisation in the EU could be beneficial to the UK . . . Tony Blair, the Prime Minister, has instructed officials that they should not dogmatically oppose all EU tax initiatives."

It continued:

"the government is determined not to block the proposal to impose an EU-wide withholding tax on savings and investments."

That was yesterday, but what about today? On the front page of *The Daily Telegraph* today, we read:

"Tony Blair broke ranks with fellow socialist leaders"—

he certainly would not like that—

"last night to open the way for a showdown with France and Germany over their plans for Europe-wide taxes."

Today in *The Daily Telegraph* the Prime Minister is dead against harmonisation, but yesterday in the *Financial Times* he was all for it. Which Prime Minister does the Chief Secretary support? Does he support yesterday's Prime Minister, or today's? Perhaps he supports both. Will the real Government at last stand up?

Sometimes, the Government do not even wait until the next day to spin the opposite story. This very morning, some useful light was cast on the Government's attitude to duty free—*[Interruption.]* Labour Members might want to hear what I have to say, because the issue is of considerable importance to many of their constituents. In the *Financial Times* today, we read:

"Mr. Brown is today expected to offer support to France and Germany over plans to postpone the scrapping of duty-free shopping. At a meeting of EU finance ministers in Brussels, Mr. Brown is expected to back . . . calls for a five-year delay while the issue is reviewed."

That was reassuring: the Chancellor had read my letter and taken my advice—sensible fellow, we thought. However, we then opened another of today's newspapers and read:

"Gordon Brown will back the abolition of duty-free shopping at a meeting of EU finance ministers in Brussels today."

Are the Government keeping duty free, or scrapping it?

The Government are in a mess. They cannot work out where they are heading in Europe. They are fiddling while Britain's economy slides down, refusing in their arrogant complacency to admit that there is a problem facing them. The Queen's Speech is a missed opportunity. I commend the amendment to the House.

4.10 pm

The Chief Secretary to the Treasury (Mr. Stephen Byers): There is a common theme running through the measures in the Queen's Speech. That theme is modernisation. For our country, our public services, our system of government and the economy, the status quo is simply not an option. Change must come, as that is what people voted for on 1 May last year. The people had had enough of a Tory Government who were drifting with no coherent programme and who allowed political dogma to triumph over reason and common sense. Judging from the speech that we have heard this afternoon from the shadow Chancellor, the right hon. Member for Horsham (Mr. Maude), nothing has changed on the Conservative Front Bench.

The contrast with this Government could not be clearer. We have adopted a pragmatic approach that has allowed us to act in the national interest, not for narrow party political advantage. Our new Labour Government are not an old-fashioned state interventionist Government; nor are we saddled with an equally outdated adherence to the free market. The Government have a new sense of direction that has allowed us to cut corporation tax, introduce a national minimum wage, give independence to the Bank of England, find radical new ways of combating social exclusion, crack down on juvenile crime while launching the most ambitious programme to slash youth unemployment that our country has ever seen, reform student finance and deliver a record increase in the level of child benefit. In this, our second Queen's Speech, we build on our first programme by pushing forward our modernisation agenda.

In our first Session, we delivered no fewer than 52 Acts, including four education Acts—all of which I had the pleasure and the privilege of taking through

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Committee. In this more time-limited Session, we are promising nearly 20 Bills. In addition, draft Bills will cover important areas such as freedom of information, the food standards agency and the funding of political parties. Our modernisation agenda is based on fairness and enterprise. The debate since the Queen's Speech was delivered a week ago shows that our principles, values and ideals give coherence to our programme of legislation.

Mr. Nick Hawkins (Surrey Heath): Will the right hon. Gentleman give way?

Mr. Byers: I will give way when I have finished my introduction.

As we saw this afternoon, the Conservative party wants to turn the clock back. It has no vision for the future—just a return to all our yesterdays. That poverty of ambition for our country has been rejected by the British people. This Government will lead our country into the next century. That carries a heavy responsibility, but we intend to discharge it in the interests of the many, not the few. In doing so, we will tackle those vested interests that stand in the way of the national interest, whether they are ermine-clad hereditaries from the House of Lords or professionals who block the radical reform of our public services.

Several specific proposals in the Queen's Speech are directly relevant to the economy and the financial markets. The shadow Chancellor referred to the financial services and markets Bill, and I wish to say a few words about that important legislation.

Mr. Hawkins: The Chief Secretary talks about fairness. What was fair about the unforeshadowed smash-and-grab raid on people's pensions? How many more taxes—which the electorate certainly did not vote for—will his Government impose on the British people?

Mr. Byers: The hon. Gentleman likes to use phrases such as "smash and grab".

Mr. John Bercow (Buckingham): Answer the question.

Mr. Byers: I will answer in due course. I urge the hon. Member for Buckingham (Mr. Bercow) to calm down, and I look forward to a speech from him in due course. I hope that it will be up to his usual standard—which would be extremely helpful. We believe that our tax proposals are fair and just and that the British people will agree with us.

The financial services industry is a highly successful and important part of the United Kingdom economy. It accounts for 7 per cent. of gross domestic product and employs more than 1 million people. An efficient and effective financial services industry is vital for our prosperity and stability. Millions of people depend on the availability of modern financial services and fair and honest markets and advice. The City of London is one of the foremost financial centres in the world. We are determined to secure the future of the City and financial services in the United Kingdom. We want the UK to be a good place to do business, and that is why we are introducing the financial services and markets Bill.

The Bill will create a single regulator with a single authorisation process, a single compensation scheme, a single ombudsman and a single appeals tribunal. In doing so, it will reduce regulation and provide for greater accountability. The Bill will do away with the increasingly blurred distinction between the nine existing regulators and the complex division of responsibility. The new regulator will have, for the first time, clear statutory objectives and a single coherent set of functions and powers.

Excessive regulation gets in the way of good business and is to no one's advantage. The Bill will therefore provide for the Financial Services Authority to consult on costs and benefits arising from any regulations that it proposes to introduce. There will be a statutory requirement for regulation to be proportionate. The Bill will reduce the potential for confusion and duplication. It will enable the Financial Services Authority to deliver high standards of supervision and investor protection. It will create transparency and fairness for providers and consumers of financial services.

As the shadow Chancellor said, a draft Bill was introduced at the end of July. The consultation process has now ended. In the light of that consultation, we can bring an improved Bill before the House next year. I am keen to learn from experience and I therefore propose to establish in the new year a joint committee of the House of Commons and the House of Lords to scrutinise the Bill before it begins its usual parliamentary process. Our consultation shows that there is strong support for plans to overhaul financial regulation, but I want to ensure that the details are right, and I am sure that the establishment of the joint committee will help us to achieve that. I am grateful to the Treasury Select Committee, which will conduct a short inquiry in December into certain aspects of the Bill.

This is an opportunity for hon. Members on all sides of the House to recognise the need for improved regulation in the City and to join us in ensuring that the Bill is in the best possible form to meet what I hope are our shared objectives.

The Queen's Speech confirmed that a Bill would be introduced for the working families tax credit and disabled persons tax credit. Many people on low income are trapped in poverty. The tax and benefit system stands in the way of people trying to get out of poverty. That trap frustrates ambitions and locks people into poverty. The Government believe that work is the best route out of poverty and a life on benefits. That is why we are introducing measures to help to make work pay: reforms of the tax and benefit system, a national minimum wage and the working families and disabled persons tax credits. The link with the tax system and payment through the wage packet will demonstrate the reward of work over welfare.

Mr. Steve Webb (Northavon): The Chief Secretary mentioned the centrality to the working families tax credit of payment through the pay packet but, as a concession, it has been agreed that couples can decide whether the person with the pay packet or the person with the children gets the money. If parents opt en masse for payment to those with children, would not his vision be undermined?

Mr. Byers: I think not. The Government have no problem with people being able to exercise choice in this

very important matter. The principle underpinning the working families tax credit is that people can see that work pays. That means going out, getting a job and ensuring that people get more money in work than they would on benefits.

The working families tax credit will ensure that work pays and is not punished. It encourages people to work by allowing them to keep more of what they earn, and it provides two specific guarantees. First, it guarantees a minimum income of £190 a week for families with one member in full-time work earning the national minimum wage. Secondly, families earning less than £220 a week will no longer pay any net income tax. A child care tax credit will also be introduced as an integral part of the working families tax credit, replacing the failed disregard in family credit. It will ensure that no family is denied the opportunity to work by being unable to access affordable, quality child care.

Those measures are part of our radical agenda to modernise the welfare system. They will provide a fairer and better deal for up to 1.5 million families. In its first year, the working families tax credit will give up to £1.5 billion more to those families than would have been available under family credit. The disabled persons tax credit will help disabled people who want to get back to work. It will be more generous than the existing benefit, so ensuring that disabled people can take and keep work.

I understand that the Opposition have made it clear that they will oppose the working families tax credit and retain family credit. The shadow Chancellor said that it was not for him to answer questions. I understand that the decision to abolish the working families tax credit and return to family credit has already been taken. The shadow Social Security Secretary made that announcement in Social Security questions a month ago. Will the shadow Chancellor confirm that that is the Conservative Opposition's policy?

Mr. Maude: Does the Chief Secretary recognise these words:

"the whole of the Working Families Tax Credit venture is fraught with great dangers: it offers huge bonuses for dishonesty; it strengthens the employers' hold over working people; it pulls employees into a spider's web of dishonesty and corruption"?

Those were the words of his right hon. Friend the Member for Birkenhead (Mr. Field).

Mr. Byers: They were, and the simple reality is that my right hon. Friend was wrong. It is probably one of the reasons why he is no longer a social security Minister. The working families tax credit will work. I notice that we have had no confirmation of Conservative policy one way or the other from the shadow Chancellor. It is interesting that the shadow Social Security Secretary is on record as saying that the working families tax credit would be abolished, yet the shadow Chancellor cannot say one way or the other. Perhaps he will now.

Mr. Maude: The right hon. Gentleman is getting frightfully excited about this. We have said it so many times that this is one thing on which he is right: we will oppose the abolition of family credit. Does the Chief Secretary remember his right hon. Friend the Prime Minister, when shadow Employment Secretary some years back, arguing that the introduction of a minimum wage would reduce the cost of in-work benefits? That idea seems to have gone out of the window.

Mr. Byers: I am grateful to the shadow Chancellor for answering a question, confirming that the Opposition would abolish the working families tax credit. I can understand why he feels uncomfortable admitting that; he probably knows the consequences of such a policy. For those 1.5 million people receiving the working families tax credit, it would mean an average tax rise of £17 a week.

Ms Diane Abbott (Hackney, North and Stoke Newington) *rose—*

Mr. Campbell-Savours *rose—*

Mr. Byers: I shall give way to my hon. Friend the Member for Workington (Mr. Campbell–Savours).

Mr. Campbell–Savours: Will my right hon. Friend press the shadow Chancellor again? The shadow Chancellor answered a specific question on policy, telling us what the Conservative position at the next general election would be on the arrangement that we were discussing. Why cannot we get a clear answer on the national minimum wage? If he is prepared on one, why not on the other? Is it Conservative Members' policy to dither, and perhaps even to support us in the longer term?

Mr. Byers: I look forward to the Conservative Opposition's support for a national minimum wage. We may have to wait a long time for that support, but we live in hope.

Later, I shall speak about the national minimum wage and—

Ms Abbott: Will my right hon. Friend give way?

Mr. Byers: I want to make progress. [HON. MEMBERS: "Give way."] I always give way to my hon. Friend, and I shall do so in due course, but I want to make some progress, specifically on the working families tax credit.

If the Conservative Opposition decide that they wish to retain family credit but not working families tax credit, they will go into the next general election with a commitment to a tax increase of £17 a week for the $1\frac{1}{2}$ million people who will benefit from the working families tax credit. I look forward to campaigning against the shadow Chancellor on those issues.

I have concluded what I want to say about the working families tax credit. It may be an opportune moment to give way to my hon. Friend the Member for Hackney, South and Stoke Newington (Ms Abbott).

Ms Abbott: The entire House agrees with my right hon. Friend that the best way out of poverty is work, but does he accept that some groups—especially the elderly, and mothers with very young babies—cannot take that route out of poverty? Does he agree with the recommendation of Sir Donald Acheson's report on inequalities in health that the way to bring the elderly and mothers with very young babies out of poverty is to increase the level of benefits?

Mr. Byers: Unfortunately, the Acheson report was published before the announcement of some of the

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policies that the Government are introducing. In particular, the large increase that will take place in child benefit will address many of the concerns raised in the report. For the record, the Government's policy is clear. We want work to be available for those who can work, and we want support and help to be made available for those who cannot. Those policies are clear, but we take the view that the way out of poverty for the people whom I represent, and those whom my hon. Friend represents, is work and having a job.

We also need to ensure that work pays. At the moment, for many people in my constituency and throughout the country, work simply does not pay. The working families tax credit will go a long way to ensure that people are not effectively punished financially for going out to work.

Mr. Bernard Jenkin (North Essex): Will the right hon. Gentleman give way?

Mr. Byers: I must give way to the hon. Gentleman because he used to be Member of Parliament in my mother's constituency, and when I told him that she had managed to recruit several 80-year-olds to the Labour party, he went off to another constituency.

Mr. Jenkin: I fear that the right hon. Gentleman may be a little misinformed; but how comfortable is he, having campaigned before the general election for a reduction in means-testing in the benefits and tax system, now to be presiding over substantial increases in means-testing?

Mr. Byers: I was only slightly misinformed. My mother has not moved; there may have been a boundary change. Anyway, she was very disappointed no longer to be able to lock horns with the hon. Gentleman as her constituency Member of Parliament.

There is no inconsistency whatever between the commitments that we made on welfare reform before the general election, and the proposals and policies that we are implementing, and shall continue to implement.

The Queen's Speech says that we are committed to investing £40 billion in education and health over the next three years. We are able to do so because the Government have been prudent with public finances. We have taken tough decisions and cut borrowing by £20 billion in our first year in office. In the first half of this year, borrowing is £10 billion lower than last year. We have set out our spending plans for the next three years, and among the central features of our new spending regime are built-in margins to cover uncertainties, including the risk of slower growth and its effect on revenues.

I was intrigued by the comments that the shadow Chancellor made this afternoon about the Conservatives' approach to the extra spending of £40 billion for schools and hospitals. He is on the record as saying that our spending plans, which include schools and hospitals, were reckless and foolish. Interestingly, he now seems to be conducting a U-turn on his previous statements. The record will show that, during various interviews that the right hon. Gentleman has given on "Today" and on television, he has said that our spending plans are reckless and foolish. The record is there.

Mr. Maude: I challenge the right hon. Gentleman to produce the transcript of an interview or anything that I have said where I have stated that we oppose the £40 billion extra on health and education. The right hon. Gentleman can send his Parliamentary Private Secretary across to his officials to get them to hunt through the files. I am sure that the right hon. Gentleman would not have made this allegation without having chapter and verse to hand. Let him get them now to prove what he says.

Mr. Byers: I shall write to the right hon. Gentleman with the exact reference. I stand by what I have said. I shall write in my own time.

Mr. Maude: Will the right hon. Gentleman give way?

Mr. Byers: I am not giving way.

Mr. Maude *rose—*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. There can be only one Member on his feet at the same time.

Mr. Maude: On a point of order, Mr. Deputy Speaker. The Chief Secretary has made an assertion which I feel sure he would not have made without having chapter and verse to back it up. It must surely be possible for him to procure that chapter and verse so that we can ascertain whether he is justified in what he says. Alternatively, he can withdraw his assertion. He has the alternative of withdrawing his latest gaffe, if he is man enough to do it.

Mr. Byers *rose—*

Mr. Deputy Speaker: Order. The Minister's speech so far has been in proper order, so there is nothing that he needs to withdraw. There is an opportunity for Opposition Members to rebut any case that the right hon. Gentleman has advanced.

Mr. Byers *rose—[Interruption.]*

Mr. Deputy Speaker: Order. Let us start as we mean to finish this evening. The hon. Member for East Worthing and Shoreham (Mr. Loughton) should not be making any comments from a sedentary position.

Mr. Byers: We have clearly touched a raw nerve in the right hon. Gentleman. We need to know exactly what Conservative policies are. On spending on hospitals, time will tell whether the Conservatives will support our extra spending on education and health. It is a responsibility that we certainly intend to deliver. It is what the public want and what they will get.

Mr. Phil Woolas (Oldham, East and Saddleworth): I think that I can answer the point that has been made. *The Observer* printed an interview with the right hon. Member for Horsham (Mr. Maude) on 22 November. The right hon. Gentleman was asked specifically about cutting spending. The interviewer asked:

"But would not cutting spending make the slowdown worse?"

The right hon. Gentleman replied:

"Fiscal policy cannot be set to a demand regulator."

In a classic exposition of current Conservative policy, the right hon. Gentleman said:

"Perhaps I am being very naive about this."

He continued to talk about the so-called black hole. *The Observer* asked him:

"You think, therefore, that you could have lower interest rates if you cut spending?"

The right hon. Gentleman replied:

"Yes, that is precisely what I mean."

The right hon. Gentleman's policy is clear.

Mr. Byers: There are a number of references that might be prayed in aid. The extra money that we intend to spend on schools and hospitals is not following the old approach of proposing the spending of money for a particular problem and hoping that the problem will go away. In the next fortnight, we shall be publishing public service agreements that will show clearly the improvements that the public will get from the extra money that we shall be spending.

Mr. Nick St. Aubyn (Guildford): Will the Minister give way?

Mr. Byers: I wanted to move on to Europe, which I know the House has been waiting for. I do not know whether the hon. Gentleman will be very popular if he delays me in moving on to Europe.

Mr. St. Aubyn: The Opposition are concerned about schools and hospitals. Will the Minister answer this question: if the Chancellor of the Exchequer's projections of Government revenue prove wildly optimistic, as many fear, will the Government cut their promises of extra spending on schools and hospitals, or will they increase taxes or raise borrowing? Which will they do?

Mr. Byers: The hon. Gentleman came in slightly late and may have missed my comment that we have built in a margin on the current Budget to cover those eventualities. The £40 billion for schools and hospitals will be spent. I can guarantee that that is a commitment from the Government. *[Interruption.]* The heckling from those on the Opposition Front Bench suggests that they do not support the extra £40 billion for schools and hospitals, but I shall not delay the House further.

With reference to Europe—an issue that interests many hon. Members—I shall deal with three aspects: the abatement, the single currency and tax harmonisation, which is specifically mentioned in the amendment.

The Queen's Speech states clearly that we will retain the United Kingdom's abatement. That budget rebate from the European Union remains fully justified. Enlargement of the EU does not alter the justification for the abatement, as it will not change the UK's position relative to existing member states. Any proposed changes to the own resource decision requires all member states to agree, and the Queen's Speech makes it clear that we will not accept any adverse changes to the UK's abatement.

On the single currency, we have said clearly that our policy is to prepare and decide, with the final decision being taken by the British people in a referendum. What does the Conservative party think? More specifically, what does the shadow Chancellor think of the single European currency? Does he believe that a principled position needs to be adopted? His leader said:

"I am against a single currency in principle."

Or is he pragmatic about it, as is the Conservatives' deputy leader, who said:

"Our instinct is to say, 'Show me it works.' That is the sensible approach, a pragmatic policy based on a hard-headed assessment of the facts"?

How can the deputy leader's approach be reconciled with that of the shadow Chancellor? In the interview in *The Observer* that was mentioned earlier, when the shadow Chancellor was asked:

"What you are saying is that even if the single currency were a success, you could not use that to decide whether or not to join?",

he replied, "Absolutely." It is impossible to reconcile that approach with the view expressed by the Conservatives' deputy leader.

The Conservatives have held a ballot of their party members and have ruled out the single currency for 10 years, even if it is in Britain's national interest to join. However, the Conservatives must answer some fundamental questions. Is their hostility to a single currency based on principle? Is that the position of the shadow Chancellor? Does he believe that, as a matter of principle, joining the single currency should be ruled out—yes or no? He is not answering. If it is a principled position, why not rule it out for ever? If it is pragmatic opposition, how can the Conservatives rule it out for 10 years, even if it is in Britain's national interest?

Ms Keeble: Does my right hon. Friend agree that, given that most of the big financial institutions will be dealing in euros next year, and that many Opposition Members have interests in, or are employed by, those institutions, if those hon. Members were truly principled, they would say whether or not they intend to advise people to deal in euros next year, and to hold euro accounts themselves? They should be honest with the public about the relationship of the financial institutions for which many of them work to the single currency.

Mr. Byers: It will be interesting to see what advice Opposition Members give to their clients in the other jobs that many of them hold.

For the Tories, no decision for a decade is the only option. The single currency reveals a fundamental flaw that divides the Conservative party. As a result, they have adopted a policy that puts party before national interest.

Mr. Jenkin *rose—*

Mr. Ian Taylor (Esher and Walton) *rose—*

Sir Peter Tapsell (Louth and Horncastle) *rose—*

Mr. Byers: I am spoilt for choice. I am not sure whether to give way to the pro-European wing or the anti-European wing. There are so few pro-Europeans left in the Tory party that I shall give way to the hon. Member for Esher and Walton (Mr. Taylor).

Mr. Taylor: I am grateful indeed to the right hon. Gentleman. I am a pro-European, but the point is that he

[Mr. Taylor]

is Chief Secretary and the one who has to decide the policy. Can he answer for the Government the question whether this vague intention that they will join if the economic circumstances are right will be translated into positive political will to ensure that Government policy makes the circumstances right for entry? That is the challenge that he has to grasp. The trouble is that, by throwing all the questions around to others, he is evading the central question, to which many business men in this country need the answer.

Mr. Byers: That went down badly with some Conservative Members.

The Government's position is clear, and I know that the hon. Gentleman takes a close interest in matters European. Provided that the five economic tests were satisfied, we would be in a situation in which the Government would consider the position, there would be a decision of the Cabinet and of the Government and then there would be a recommendation. It will be for the British people to decide in a referendum—it will be their decision, and we have made that position absolutely clear.

Sir Peter Tapsell: Will the right hon. Gentleman give way?

Mr. Byers: I want to move on. [HON. MEMBERS: "Give way."] Well, we should have both sides of the argument. Of course I will give way.

Sir Peter Tapsell: Although the Government's five criteria to be met before a referendum are perfectly acceptable—so far as it goes—on the technical side, do not the recent statements by the German Finance and Foreign Ministers make it perfectly clear, as a matter of constitutional practicality, that, if we were to join the single European currency and all that is clearly linked to that, we would cease to be an independent, self-governing, democratic nation state?

Mr. Byers: I do not accept that argument at all, and there are many other people who will agree with me in that position.

On tax harmonisation, I want to address a number of concerns that have been raised, and a good degree of scaremongering that has occurred, over the past few days. I also want to set out the principles that we will apply and apply them to a number of specific cases that have been raised in the past few days.

The Government have made it clear that they will not support any action at European level that will threaten jobs or the competitive position of British business, so any tax proposals will need to pass that acid test. Questions of tax of course require a unanimous decision, so there is no question of tax changes that we do not support being imposed on us by Brussels. The test has to be whether, in any particular case, the proposal delivers economic or financial benefits for the United Kingdom. If it does not, we will oppose it and argue our case. If necessary, we will be prepared to use our veto to protect the national interest.

Mr. Malcolm Bruce (Gordon): Will the right hon. Gentleman give way?

Mr. Byers: No. I want to make these points.

Having outlined the principles that we will apply, let me consider three areas which have been the subject of recent speculation: value added tax, corporation tax and the withholding tax.

On VAT, let the House be clear that there are no detailed proposals to change the existing rates. We were elected with a clear pledge to maintain zero rates of VAT on food, children's clothes, books, newspapers and public transport fares. The United Kingdom's zero rates are fully safeguarded under existing European Community agreements.

All European Community VAT matters are subject to agreement by all member states. We can therefore guarantee that we will honour our manifesto pledge on VAT, and that VAT on food, children's clothes, books and newspapers and public transport fares will remain zero rated. Unlike the Conservative party, we will stick to our pledge. I remind the House that the Conservatives introduced VAT on domestic fuel and sought to increase it from 8 to 17.5 per cent.

On corporation tax, there are no Community proposals on the table in respect of harmonisation. Indeed, no one proposed minimum rates of corporation tax at today's Economic and Finance Council meeting. The political reality is that harmonisation of corporation tax across Europe is a non-starter. Rates start at 10 per cent. in Ireland and at 28 per cent. in Finland. In the United Kingdom, rates will start at 30 per cent. from next year. In Germany, the rate is more than 40 per cent. It is increasingly being realised that raising corporate tax rates would harm the competitive position of the European Union economy. We would simply not allow corporation tax rates to be raised to the existing levels of some other countries.

On the specific issue of the withholding tax, the motive behind the measure is one that I hope all hon. Members would be able to support—the prevention of tax evasion. It is aimed chiefly at Belgian and German citizens who place funds in the highly secretive banking system in Luxembourg and do not make a declaration to their own tax authorities. The Chancellor called today at ECOFIN for other countries to tackle the problems of banking secrecy.

Having studied the draft directive on the withholding tax, we believe that it is fundamentally flawed. In particular, it would be very damaging to the Eurobond industry. The British Eurobond market has earnings of £5 billion a year and employs nearly 11,000 people. Clearly the withholding tax, as presently proposed, is unacceptable.

Mr. Tim Loughton (East Worthing and Shoreham): Will the right hon. Gentleman give way?

Mr. Byers: No. I want to finish that point.

The Chancellor has made it clear today that exchange of information between banks and tax authorities is a much better solution. We would not accept the directive in its present form, which includes Eurobonds.

The Chancellor has made that clear in Brussels today. If the draft directive is not changed from its present form, we will use our veto to block it.

Mr. Loughton *rose—*

Mr. Malcolm Bruce *rose—*

Mr. Byers: I shall give way first to the hon. Member for East Worthing and Shoreham (Mr. Loughton).

Mr. Loughton: I am grateful to the Minister for giving way. On that specific point, will he therefore say why Jacques Santer said only last week that the code of conduct meant that Britain could not veto measures such as the withholding tax? Will he also condemn out of hand those members of the European Commission who have been talking about harmful tax competition? When does the right hon. Gentleman think that tax competition is harmful to the interests of the United Kingdom?

Mr. Byers: The position is very clear, as far as the Government are concerned. Legally, the withholding tax is a matter that would have to be decided on the basis of all member states agreeing. Therefore, we have made our position clear and I am happy to confirm it: if the draft directive on the withholding tax remains in its present form, we will veto that directive.

Mr. Bruce *rose—*

Mr. John Burnett (Torridge and West Devon) *rose—*

Mr. Byers: I want to make progress. My speech has been longer than I intended.

The Government's approach to Europe is clear. It is far better to be there, shaping and engaging in the debate, than sitting powerless on the sidelines. The issues for Europe are jobs and economic prosperity.

Mr. Bruce: Will the right hon. Gentleman give way?

Mr. Byers: I will give way, for the final time.

Mr. Bruce: I am grateful to the right hon. Gentleman. On the point about jobs and economic prosperity, does he agree—given that the Government are, in principle, in favour of joining the single currency—that the stability pact should allow for flexibility on borrowing for capital purposes in accordance with the established fiscal rules? Does he agree that that would be a beneficial objective—for Europe as a whole and especially for the United Kingdom, given our low borrowing levels?

Mr. Byers: There are issues that need to be addressed in Europe, and we believe that jobs and economic prosperity are the key issues.

In respect of harmful tax practices and tax havens, it is right that Europe should deal with those, but tax—

Mr. Burnett *rose—*

Sir Teddy Taylor (Rochford and Southend, East) *rose—*

Mr. Byers: I shall not give way; I want to make progress.

I want to make it clear that tax harmonisation is not the way forward. We must deal with harmful tax practices and tax havens.

Sir Teddy Taylor: Will the right hon. Gentleman give way on that point?

Mr. Byers: I will not give way at this stage. Businesses throughout the European Union do not want it—as is shown by a report produced by the European employers federation—and we share their view.

Our agenda for modernisation and reform applies not just to the United Kingdom, but to Europe. For Europe, as for the United Kingdom, there can be no turning the clock back.

Sir Teddy Taylor: Will the Chief Secretary give way?

Mr. Byers: No, I will not.

The shadow Chancellor, as we know, is the man who signed the Maastricht treaty. He is now the man who likes to say no. He says no to the new deal for the young unemployed; 160,000 have entered that scheme, and 30,000 have now found work. He says no to the working families tax credit, which will make work pay for up to 1.5 million of our fellow citizens. He says no to the national minimum wage, which will benefit nearly 2 million people from April.

We need not only listen to the shadow Chancellor. In the early 1990s, the right hon. Gentleman was Financial Secretary to the Treasury. He did not just sign the Maastricht treaty; he did other things as well. During his period in office, interest rates never fell below 10 per cent., and reached 15 per cent. The public sector deficit was rising to £50 billion. This is the shadow Chancellor's record as Financial Secretary: unemployment rose by 1 million, manufacturing output fell by 7 per cent., and inflation rose to nearly 10 per cent.

We are not going back to those bad old Tory days. The Queen's Speech looks to the future; the Tories are stuck in the past. This Government's priority is fairness for all our people; the Tories defend the privileges of the few. We will not be diverted from the real issues that affect the British people: jobs, the economy, crime, schools, hospitals and, yes, our relationship with Europe.

We have established an economic strategy to ensure that we can steer a course of stability in an uncertain and unstable world. Our programme reflects the needs of our people and their aspirations—for themselves, their families and their communities. Together, we can look forward with confidence to the years ahead.

4.52 pm

Mr. Malcolm Bruce (Gordon): Our debates have focused on a Queen's Speech which should have shown us that the Government were getting up a head of steam for radical reform but which, in fact, has been celebrated more for what it does not contain than for what it contains.

Listening to what I suppose the Conservatives would describe as an attack, I wondered when we would receive an apology for the fact that they signed the Single European Act and the Maastricht treaty. They now denounce those actions, consider them to have been a fatal mistake, but have not yet admitted that they should not

[Mr. Malcolm Bruce]

have done what they did. The truth is that this is a party that has made up its mind that it likes being in opposition and intends to stay there. It does not wish to deal with the question of how a country is to work in an expanding European Union in which it must advance its national interests in concert with other countries that are trying to do the same.

I commend the Chief Secretary's clear statement towards the end of his speech about tax and revenue co-ordination. As they stand, the treaties are unequivocal. It is no good quoting officials who may wish that they were different; they have been negotiated, and they are clear.

Many of us—many Liberal Democrats, certainly—who support the principle of British participation in the single currency, and support the idea of a single currency, believe that the corollary of a single bank setting a single interest rate is fiscal flexibility on the part of individual Governments, enabling such a system to be accommodated within their different national entities. It makes no difference what one member state says; we must all agree. The measure cannot be rammed through against our will. We retain that democratic right, and it is worth our saying as much to those who believe that we have given it up.

Mr. William Cash (Stone): Will the hon. Gentleman give way?

Mr. Bruce: Not at this stage.

Mr. Cash: It is at this stage that I wish to intervene.

Mr. Bruce: That is a good reason for me not to give way.

Let me deal with some of the measures that do feature in the Queen's Speech. My hon. Friend the Member for Northavon (Mr. Webb) will lead our party's scrutiny of the working families tax credit. He is generally accepted to be an expert on the subject, and I am sure that, if he catches your eye, Mr. Deputy Speaker, he will give us the benefit of further insight.

My hon. Friend the Member for Twickenham (Dr. Cable) will be following the progress of the Bill regulating the financial services. I shall not say much about the Bill, but, in principle, we have no difficulty in supporting its objective. The devil will, of course, be in the detail. I was interested by the Chief Secretary's suggestion that a joint scrutinising Committee should be set up before the presentation of the Bill: the idea has merit. The right hon. Gentleman also acknowledged that, in financial regulation, it is essential to get the balance right. The argument will centre on whether over-regulation will suppress creativity in the market, or whether under-regulation will damage consumer confidence—especially in a climate in which the Government have, in my party's view, ducked the expansion of the private sector into public-provision pensions. They will need to address that sooner rather than later.

Mr. Cash: Will the hon. Gentleman give way now?

Mr. Bruce: I will not give way to the hon. Gentleman, who has only just come into the Chamber with the sole purpose of intervening.

At the risk of provoking the hon. Gentleman yet again, I want to talk about European issues and policies. I must tell the hon. Gentleman that he does not have a monopoly of interest in that subject, or the right to assume that he can automatically intervene every time it is mentioned, no matter how Pavlovian his reactions may be. I also want to talk about the new public service agreements.

The Liberal Democrats were disappointed, but not surprised, by the fact that the Gracious Speech contained no measures designed to pave the way towards joining a successful single currency. We have argued—we commend the proposal to the Government—for the publication of a six-monthly joint Treasury and Bank of England report on the extent to which our economy is converging with those of our continental partners. Such a report would not only inform but co-ordinate monetary and fiscal policy in the run-up to euro membership.

As I have said on a number of occasions, the Government seem to be saying, "In principle, we see no objection to joining. The private spin is that we are very much in favour of joining, but we are waiting for things to settle down." I do not think that an undertaking of this importance can be secured on a wing and a prayer; it requires a strategy, and practical action. I would go further, and say that the Prime Minister and his senior Cabinet colleagues will have to come out of the closet.

I understand that, in his previous cloak-and-dagger incarnation, the Secretary of State for Trade and Industry believed that the Government—who were all privately committed to British membership of a single currency at the earliest practical opportunity—should wait for public opinion, and the opinion polls, to come round to it. But if they wait, it simply will not happen. When the Murdoch press and its allies are in full cry—when they are organising the argument on one side, and there is nothing but silence from Downing street and the Treasury—are we surprised that the opinion polls are saying what they are saying? We need leadership, we need a timetable and we need a strategy. We cannot simply drift.

If we are to trade within the single currency—regardless of whether we join sooner rather than later—we must address the fact that, within the single market, we suffer from a pound and interest rates that are too high for our current trading competitiveness. Those who look at the trade-weighted value of the pound may think that it is only a little above the May 1997 level, but if they look at the real, effective sterling exchange rate, using the OECD index, they will see that it is some 8 per cent. higher than the May 1997 level, and 26 per cent. above that of May 1996. That takes account of differential rates of inflation. In other words, sterling is clearly over-valued, and, as a consequence, life will remain tough for exporters. That is not just my opinion. For example, a report by economists Goldman Sachs in this week's economic update—that company is not that far away from the Government, so I do not think that its views are greeted with total indifference at the Treasury—says that DM2.50 would be about the fair value; that is 30 pfennigs lower than the current rate. Okay, interest rates have come down a bit, but 6.75 per cent. is slightly more than double the 3.3 per cent. average in the euro zone; I hope that we agree about that. Even if hon. Members are totally committed to having nothing to do with British membership of the euro zone, that differential is a problem that we should at least try to address.

Even pre-Christmas, the retail side of the British economy looks a bit soft. Against that background, the Bank of England may cut interest rates by a further 0.25 per cent. next Thursday, but that still leaves a yawning gap. I am not tempting the Chief Secretary to intervene—indeed, I do not think that I will succeed—but even if there is a cut, I do not think that the Government can pop out of the woodwork on Friday and say, "There you go: the gap is narrowing." It is still huge.

Mr. Bercow: Can the hon. Gentleman offer a single historical example of a single currency zone that has been formed without either formal tax harmonisation, or increased transfer payments from the centre?

Mr. Bruce: Harmonisation is not necessary. For example, it does not occur in the United Kingdom and Ireland; it does not even occur in the United States. I accept that there is an argument about transfer payments, but such payments were not made on the creation of the UK when there was a huge movement of people. However, the fact that something has not happened is not a reason for not attempting it, but then the hon. Gentleman is a Conservative and I am a Liberal: I believe in radical change and he, presumably, does not. Of course I accept that there are difficulties, but, when 11 countries have embarked on an enterprise of this type, we should not assume that it cannot happen because it has not happened before.

If the Government's true position is that they are in favour of joining a single currency, they should make that clear because that would, in itself, help to bring about a degree of convergence and enable people to start to make the preparations that the Government are urging on them, without offering them any clear timetable. It is not realistic to expect businesses to spend millions of pounds—indeed, tens of millions—preparing for something that may not happen, let alone if they have no idea when it will happen.

Mr. Woolas *rose—*

Sir Teddy Taylor: Will the hon. Gentleman give way?

Mr. Bruce: No. I want to proceed because of the pressure on time.

In the meantime, because of current problems, and as part of our preparations for eventual membership of the single currency, there is a requirement on the Government to do something to take the pressure off the hard-pressed manufacturing, farming and tourism sectors. Manufacturing faces an almost certain recession in 1999; whatever the Treasury forecast may say, that seems highly likely.

There is a discrepancy between what the Government have been saying publicly about their European economic policy and what apparently is being said on the quiet in Brussels—and not in the House. I am talking about "The New European Way"—about which I intervened in the Chief Secretary's speech—which has been published in the name of the party that calls itself the European Socialists—which I suspect sends a shudder through new Labour—but which most of us know was written by Ed Balls, although its authorship is now disowned. It was certainly put into the pot with the Chancellor's blessing and support.

Because it is a Euro-report, it contains quite a lot of mumbo-jumbo which is open to interpretation, according to people's opinions, but it addresses two crucial issues: monetary openness and fiscal flexibility, and tax harmonisation. The Tory amendment is on the mark at least in one respect: we do require a clear Government statement on those issues to the House. I accept that the Chief Secretary has gone some way towards giving us that statement, which was genuinely helpful and timely, and I commend him for his clarity. On the whole, it was also about right. It is high time that the debate centred on what the law is, rather than what certain motivated journalists wish it were, or wish people to believe it to be.

The Chancellor appears to want a more open and accountable European central bank than that set out in the Maastricht treaty. I agree that that is sensible. That is one of the reasons why the sooner we get in and can bring some influence to bear, the better. That does not mean interfering in the decisions of the European central bank, or carrying out the megaphone monetary policy adopted by the newly elected politicians in Germany—I suspect that they will learn a thing or two in a fairly short time—but it is about arguing that the British model of central bank independence, which I know does not command total support in the House, has something to commend itself to the continental model. It would provide for operational independence, but would make the European central bank much more open and accountable to public scrutiny—not open enough for the hon. Member for Hackney, North and Stoke Newington (Ms Abbott), but I am sure that she would agree that such transparency would be better than that which it offers.

I do not expect the Tories to have a view on that. Indeed, I do not know when they will review their policy given that the shadow Secretary of State for Trade and Industry has said that 2002 will be early enough for the Tories to make up their mind whether the Bank of England should stay independent. As has already been quoted, however, the shadow Chancellor has certainly said that either we should have complete political control, or the Bank should be completely independent. He has not made up his mind which, but he is wrong.

The Government have rightly been criticised for the shortness of the contracts that were given to the members of the Monetary Policy Committee. Even if it does not mean that they are less independent, it creates the wrong impression—that they can be reappointed by the same Government who appointed them in the first place. We would like that to be changed, but we need a proper balance between operational independence and public accountability.

If we could export that model to the continent, rather than take on its arrogant and somewhat bureaucratic mode, we might be doing a service to other member states, and the peoples of those member states, who feel that they have to have some input, without interfering in the way in which the European central bank works. That would increase public confidence in the belief that it would be a force for stability and low inflation, and would not compromise on the anti-inflationary drive. Some people imply that it would do the latter—usually those who do not support the idea of operational independence in the first place.

[Mr. Bruce]

I get the slight feeling—a vibration—that the Government might like a little more fiscal flexibility, particularly with regard to borrowing for capital spending. At the moment, that is not allowed for in the stability pact, but there have been enough noises, both formally and informally, from British Government sources to suggest that the Government believe that it perhaps should be.

Alastair Campbell is on record—he is not officially a Government spokesman, but, by God, when he speaks, most people listen; I think Labour Members listen even more closely—as saying that the Government do not want any watering down of the fiscal rules. The question is: why do not the Government want any modification? Surely we should look at our model and suggest that that commends itself to the continent, and that our rule is more reasonable and more generous on the capital spending front. We should surely fight for maximum fiscal subsidiarity in Europe.

I am sometimes puzzled by the Chancellor, who makes some robust statements, echoed by the Chief Secretary today, about the need for fiscal independence, but who seems unwilling to use the very fiscal independence that he has to help to manage the economy in a way that would bring about convergence. At least he agrees that such independence should be retained.

Lloyds bank does not have any agreement regulating the borrowing of National Westminster bank; nor should it, even though one's intervention in the market affects the other. They just adjust their behaviour accordingly.

I am not suggesting that sanctions should not be imposed on countries with unsustainable debts. However, within a disciplined framework, there should be maximum flexibility, particularly for countries such as Britain that have a very low debt-to-GDP ratio. For countries whose ratio is either above or close to the limit, achieving such flexibility should be an incentive to reduce it and, in goods times, to try to get it below that limit. They could therefore achieve flexibility in a revised stability pact. I should have thought that that would commend itself to both sides of the House, as it is about allowing a more flexible approach to economic management.

It is essential that we have tax harmonisation. It is also true that our tax rates must be competitive internationally and not only in Europe. In many ways, tax competition is helpful and more appropriate than harmonisation. The Government have made it clear that they will retain the veto and use it; their intention is as clear and unequivocal as anyone could wish.

I certainly do not believe that we should be signing up to Euro-uniformity simply for the sake of it. It will have to have merit and benefits, and offer added value and added advantage. However, let us not go to the extreme that we are not prepared even to discuss it or to explore the possibility that there are tax anomalies that disadvantage us in the single market or in third markets. It really is unhelpful if, every time a sensible discussion of the matter is proposed, Euro-sceptics foam at the mouth and say, "There you go again—you're about to sell your country short." Surely we can examine whether there are ways in which we can co-operate while retaining our right not to accept imposed tax policies. If so, we must be prepared to say no.

The Government will introduce public service agreements, on which there will be an announcement sometime this month. My colleagues and I have a particular interest in such agreements, as we made a study of how one system operated in New Zealand, which demonstrated commendable aspects of performance delivery. However, I should tell Ministers that, when I spoke to politicians and civil servants in New Zealand, it was made absolutely clear to me that the system could not work without freedom of information legislation. They said that that was central to ensuring that the system operated in the open and that the public knew the basis of the agreements and bargains which had been struck.

Liberal Democrat Members should therefore like to know whether the new agreements will contain clear, concrete and measurable targets for improving public services. If so, has there been consultation on the targets? If so, what type of consultation was it? If not, will there be consultation? I believe that the matter should be open to wide consultation.

The fundamental question is why the agreements are with the Treasury. If the agreements are to be about public administration, should they not be with Parliament and the representatives of the people? What independent measures will monitor performance against contracts? How can we ensure that contracts between Ministers and civil servants are fair and equal rather than one-sided? They will have to be equal if civil servants are to fulfil the contracts honestly. What action will be taken to ensure that targets are met? In New Zealand, contracts contain an element of performance-related pay for chief executives. I feel that that should apply also to Ministers, so that the bargain is equal.

Those issues are real ones. The introduction of service agreements is a radical, very important step which could fundamentally change the way in which services are delivered in the United Kingdom. However, if they are to work, they will require openness, clear targeting, clear objectives and independent monitoring, so that everyone may know what was undertaken and of any changes.

Some of the Government's actions—some of which I have previously used as examples—would have been different if there had been agreements according to the necessary terms that I have outlined. The Prime Minister, for example, said that our priority is education, education, education. The reply should have been, "Fine; but specifically what will you do each year to deliver improvements in education? What contracts have been signed to deliver detailed action?" I say constructively—not negatively—that that type of public service agreement means something and is not mere sloganising.

Similarly, when waiting lists shot up, the Health Secretary announced on the "Today" programme that he was responsible for the rise because he had decided that he wanted to deal with accident and emergency priorities before reducing waiting lists. Regardless of whether that was the right decision, had he made a contract to deliver lower waiting lists, he would have had to admit publicly—and not after the event—that the contract had been changed, and there would have been a debate about it. Contracts seem to offer a genuine means of involving Parliament and the public in the delivery of policy. Such changes may be dangerous and uncomfortable for Government, but, if Ministers are serious about modernisation and openness in government, such radical

thinking is required. I applaud the Government's initiative on agreements, but am unsure whether it will be as radical and farsighted as the Government claim.

My right hon. Friend the Member for Yeovil (Mr. Ashdown) said in his opening speech in the debate on the Loyal Address that we would never have achieved the welfare state and the national health service if Lloyd George and Nye Bevan had been as timid in the second Sessions of their radical reforming Parliaments as the current Government have been. That observation may come back to haunt the Government. Nevertheless, the contents of the Queen's Speech are only part of the programme, and the Government may introduce other measures. I hope that the radical will to make progress has not disappeared entirely from the Government.

On a constituency and important personal note, I should like to add that, during this Session of Parliament, there will be elections to a Parliament for Scotland and an Assembly for Wales, which will have a fundamental impact on how the House is run and on how the United Kingdom develops. I say that as someone who believes that the United Kingdom has enormous strengths, from which we all draw and which greatly benefit us all. However, that benefit requires a recognition of the distinctive character of the component parts of the United Kingdom. There will have to be an English dimension to how things are done.

Mr. Deputy Speaker: Order. So that the House is aware of how we will conduct this debate, I should tell the hon. Gentleman that it is strictly on the economy, not on constitutional matters that could have been debated earlier.

Mr. Bruce: Thank you, Mr. Deputy Speaker; I thought that the debate was on the Queen's Speech, but entirely accept that stricture from the Chair.

The economic relationships between the House and the new Parliament and Assembly will be crucial. I simply urge a recognition that, initially, there will be tensions that will have to be resolved.

Mr. Bercow: Will the hon. Gentleman be standing for the Scottish Parliament?

Mr. Bruce: That is irrelevant.

Perhaps you will help me on this, Mr. Deputy Speaker. There was a suggestion that, by next June, Scottish Members will have nothing to do in the House, which is why the Queen's Speech proposed no Scottish legislation. The fact is that 90 per cent. of the Bills in the Queen's Speech will apply to Scotland, and Scottish Members, who have been elected to the House, have a real interest in their progress. The House and the public should understand that point.

The Government have introduced reforms, not all of which they themselves fully understand. It will require some understanding, flexibility and tolerance if those reforms are to succeed. In that spirit of understanding and tolerance, I believe that what has been set in train will create a much stronger United Kingdom.

The House is debating Europe and Westminster, and I have just discussed Scotland. I believe that we shall require all those levels of government, and that we shall have to take appropriate decisions at the appropriate level. As a Scottish Member, I am delighted that there will be a Scottish Parliament. I am equally delighted that Scots will continue to play a full participating part in the United Kingdom Parliament. I also look forward to the day when the United Kingdom is a fully paid-up member of the European Union, rather than a part-time observer on the touchlines.

5.19 pm

Mr. Robert Sheldon (Ashton-under-Lyne): The hon. Member for Gordon (Mr. Bruce) concentrated much of his speech on the single currency. I am sure that he shares my belief that our main economic task in this Parliament is to prepare for entry into the single currency. However, preparation appears to be missing.

I have always thought that the move towards a single currency was too hurried and that a longer timetable would have been much more sensible; however, a decision has been made. We are fortunate to have my right hon. Friend the Chancellor of the Exchequer and his predecessor, two of the most able Chancellors in recent times, who have had a close identity of view on some of the most essential aspects of our future. Nevertheless, we have paid a high price for not joining the single currency at the outset. Only yesterday the merger between the Deutsche bank and the Bankers Trust resulted in the reduction of their involvement in the City of London. That was in part a consequence of our not having joined the single currency.

There has been a terrible catalogue of missed opportunities year after year and decade after decade. The Government's first economic decisions, which devolved some of their powers, should have made closer integration into Europe far more acceptable. Control over exchange rates went to the markets and control over interest rates to the Bank of England. Income tax—that great engine of Government finance—was circumscribed by Government promises before the election. All those changes should have been a precursor to our entry into economic and monetary union and the single currency. We may still be paying the price.

In the *Financial Times* yesterday, Sirkka Hämäläinen, one of the six executive board members of the European central bank, said:

> "Exactly where the eurozone's monetary system will concentrate, however, is impossible to forecast . . . It can concentrate on certain national central banks near large financial centres, or it could be centralised in the ECB."

That is a danger to us. I am quoting her not as authoritative, but as having some understanding of the matter.

In the 1950s, we missed taking the leadership of Europe, although it was offered to us on a plate. Then we missed taking our place as one of the three leading players and then we missed being the headquarters of the European central bank, instead of Frankfurt. Now, as my right hon. Friend the Chief Secretary to the Treasury said, we are even risking London's position as the overwhelmingly dominant financial centre of Europe. Only recently, we have lost the Bankers Trust, through a merger, and the entire German Government bond market to Frankfurt. That would never have happened had we joined European monetary union and the single currency at the outset.

Mr. St. Aubyn: Perhaps the right hon. Gentleman should clarify the issue. It was surprising that the German

[Mr. St. Aubyn]

bond market came to London in the first place. It came because of technological advance here; innovation and technological advance in the German market has won it back. What we are discussing is far more important. Our financial market will be restrained in Europe if we are over-burdened and over-regulated, and we are under threat of that from Europe.

Mr. Sheldon: The German bond market did go back to Frankfurt, however—that is the top and bottom of it. Had we been closer to the European central bank, that might not have happened.

The most important issue relates to decisions that will be taken early next year. The most crucial decisions of any institution are taken at its commencement. Despite the high standing of our Chancellor, those decisions will be taken by the single currency adherents. The decisions will be theirs, although they may affect us.

What should we do? I believe that, without making the final decision of setting a date, we should state our firm intention of joining the single currency. That would have an enormous effect immediately. It would reduce interest rates and exchange rates would become more realistic. It would improve inward investment. It would also strengthen the position of the Chancellor. It would not be as good as being a member of the club, but it would represent a delayed but certain application and put us in a better position to argue our case. We do not seem to understand that there is a big battle ahead. Entry on our terms is not a foregone conclusion. We seem to lose sight of the work that is needed to meet not just our requirements for entry into the single currency, but our partners' requirements from us.

One of the biggest issues is the level of the pound at entry. It has to be negotiated and the negotiations will not be easy. The longer we delay, the longer the other countries will have settled down to their new arrangements making it more difficult for us to obtain the conditions that we want. The longer we delay, the more conditions we shall be expected to fulfil and the more difficult it will be to find an easy passage into the euro. How will we get the exchange rate that we really need? In what used to be considered normal times, the recent decline in our balance of payments would have resulted in an automatic decline in the level of the pound, but capital movements and other factors have helped to offset that.

With my interest in the manufacturing industry, I would wish a rate nearer the lower end of what is being suggested. The prospects for manufacturing industry have been deteriorating. The pre-Budget report predicts an increase of 0.25 per cent. this year. Next year, it should be in the range of minus 0.25 per cent. to plus 0.25 per cent. More recent estimates are even more pessimistic. One important component is the level of the pound. Considerable time lags are involved. Profits can be squeezed in the short term and customers may remain loyal for a while, but sooner or later time runs out and manufacturers have to raise their prices to stay in business and their customers look elsewhere. The pound has been too high for too long. On entry into the single currency, we shall need to fix a more realistic rate.

We all have our views on the right level for the pound. The desirable level seems to be somewhere between DM2.30 and DM2.70. As I said, I would want a level towards the lower end of that. Whatever is the right rate for us, how will we be in a position to negotiate the rate we want when we are seen as Johnny-come-lately—only wanting to join when the success of the union is assured? The others have taken a risk. We are waiting to see whether it is successful and only then shall we say, "Yes, it is a good club. You have done all the hard work and made it work well. Now we are going to give you the privilege of having us join you." That does not appear to be a good negotiating stance. We should not be surprised if the others resent our attitude. The danger for us is that that resentment could lead to economic disadvantages for us. In particular, it could limit the range of the value of the pound at which we may wish to enter.

We keep saying that, once we are members of the new club, we will be able to use our veto more effectively. Threatening to use the veto even before we enter is unlikely to make the rest of the EU anxious to have us in. We need to consider much more closely the costs of delay in joining the single currency and the need to take decisions that will improve our prospects on entry.

I should like to say a little about the Monetary Policy Committee. It has only one goal—controlling the level of inflation. Only after that goal has been met can it consider the other factors of economic management, such as growth and investment. It would be better if we learned the lesson of the United States Federal Reserve. Alan Greenspan considers the level of inflation in determining his monetary policy stance, but he also takes the economy into account. His remarkable success might have given us second thoughts on how the more limiting criteria that the Monetary Policy Committee has to observe might be broadened, at least up to the level of those of the United States Federal Reserve.

An amendment was tabled to the Bank of England Bill in another place that would have required the Monetary Policy Committee to take wider issues into account. Perhaps we should return to that. In the meantime, we can consider broadening the committee. My right hon. Friend the Chancellor cannot be expected to pack the committee with representatives of every interest group. However, he can get a better mix. Now that we have some experience, perhaps those wider considerations might be taken into account when a vacancy arises.

My final point is on the cost of earning a living. There was a time when everybody lived near to his place of work, be it the mill, the engineering factory or the pit. People's clothes were working clothes and everybody knew what working clothes were. They all took a jam butty, or whatever, and had no travel expenses because they walked to work.

Now, the cost of earning a living is very large and growing. In almost all walks of life, people have to spend a bit of money on their clothes. They certainly have to have something better for their meals. Most importantly, they have to travel. We do not have the London weighting allowance in the north-west—we have to pay for our transport. It is expensive and the distances covered are becoming greater. I know people from Ashton-under-Lyne who work in Bradford or Eccles. It is quite common for people in all parts of the country to travel 20 or 30 miles to work—distances that used to be the prerogative of London. That has to be paid for out of taxed income. Those costs are wholly, exclusively and

necessarily incurred, whatever the Inland Revenue may say, because people cannot earn a living otherwise. However, the costs are not deductible.

I sympathise with the difficulty that the Inland Revenue would have in trying to control such enormous expenditure. It would have to ask questions of every taxpayer. However, it is a manifest injustice that people spend so much of their after-tax income on the essential task of getting to work.

There used to be an earned income allowance. I supported such an allowance and regret its passing. In the early years of this century, the justification for it was that unearned income from dividends or interest was more secure and did not have the vagaries of employment or other forms of income, so it could be taxed more highly. That argument diminished as savings became more widespread. However, the costs of earning a living have increased greatly. I know that there is little enthusiasm for income tax changes, but when such changes become respectable again—when income tax becomes a more acceptable form of taxation than I fear it has been recently—that anomaly will have to be looked at.

As I said at the outset, the prime economic task of the Government is to prepare for entry to the single currency. I should like there to be a programme that set that out as our highest economic priority.

5.34 pm

Sir Peter Tapsell (Louth and Horncastle): It is always a particular pleasure to follow the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) in an economic debate. We have debated the economy across the Floor of the House for many years and I have a high regard for him. When he was a Treasury Minister, he had a magnificent record in trying to restore fiscal prudence to a Labour Government when fiscal matters had got out of control. He will not be surprised to hear that I did not agree with the main thrust of his speech about Europe, but I certainly agreed with his remarks about Mr. Greenspan and the fact that the United States Federal Reserve does not take a narrow view about inflation, but takes a wider view that embraces growth, employment and other social factors.

I welcome the Chief Secretary's carefully worded statement, giving the most categorical assurance to the House and the nation that the Labour Government will veto any attempt by the European Union to impose tax harmonisation on this country. I am sure that he will have the almost unanimous support of Conservative Members in honouring that pledge. However, history has proved that Ministers who give such assurances in all good faith can find it more difficult than they had supposed to fulfil their undertakings.

While the Chief Secretary was speaking, I was handed a piece of paper from the Press Association tape from Brussels, reporting events of only a few hours ago. It said:

"German Finance Minister Oskar Lafontaine today called for majority voting on tax harmonisation in Europe—removing Britain's veto."

Mr. Lafontaine is quoted as saying:

"The principle of unanimity must be broken."

I am sure that that sounds even more impressive in German.

Mr. Byers: Will the hon. Gentleman confirm that that was a personal statement by Mr. Lafontaine, rather than a statement on behalf of the German Government?

Sir Peter Tapsell: Yes, Mr. Lafontaine said that. However, when Finance Ministers say, "This is a personal statement and that is a Government statement," I become somewhat anxious. I hope that the Chief Secretary's statement to the House about tax harmonisation was a Government statement rather than a personal one. I am reminded of Harold Wilson's habit, when he had made some great announcement to the country on television or elsewhere, of saying, "This is not just a pledge; it is a promise." Sometimes, he would say, "This is not just a promise; it is a pledge."

I hope that Ministers here and in Europe will not become too schizophrenic and will not think that some public statements can be passed off as just a personal point of view while others count as ministerial statements. All the Finance Ministers of Europe are meeting today. It is such a crucial meeting that our Chancellor feels that it is more important to attend that meeting than the economic debate on the Queen's Speech. In all my years in the House, I cannot remember a Chancellor not being present at this debate. This is the day that the Finance Minister of Germany—the most powerful economy in Europe—has chosen to say that the principle of unanimity on harmonisation of taxation must be broken. Ministers should take that statement seriously.

The Gracious Speech says:

"My Government believe the historic decision to give the Bank of England the power to set interest rates has been crucial to the meeting of its inflation target and credibility in the system."

I hope that it will not sound ungracious if I point out that inflation today is approximately the same rate that the Government inherited from their predecessors and that the credibility of the Bank of England's inflation forecasting machinery has never been lower. It has been difficult in recent months to meet, anywhere in the country, any industrialist of experience—certainly anyone who has worked in the exporting industries—who believes that the Bank of England has been getting its monetary policy right.

The Chancellor is clearly anxious about his hasty and furtive decision to give independence to the Bank of England a few days after the general election and to abandon his ministerial responsibility for monetary policy. That was not in the Labour party's manifesto and it was not agreed with the then shadow Cabinet before the general election. We are told that it was not even put to the full Cabinet for discussion before the announcement.

As I have said in the House before, that decision was one of the most important that the Government have taken; I believe that it will prove to be an albatross around their neck and the neck of the nation for many years to come. The whole project was very much the Chancellor's baby, which is why he keeps saying that it has been a huge success. As its unwisdom becomes ever more evident, we must not forget that he is the man to blame.

[Sir Peter Tapsell]

Lord Healey has pointed out, in his usual frank and genial way, that

"an independent Central Bank is a gimmick to be used as an apologia by failed Chancellors to shuffle off their failures on to the Bank of England."

He speaks with some authority on these matters. The failure of the experiment has already become evident and the shuffling off has already begun. As soon as it became evident to everyone that the Bank of England had pushed up interest rates too far, Ministers scurried around briefing everyone, on and off the record, saying that they favoured a cut in interest rates. By then, however, the damage had been done.

For a year, the academic economists—none of whom has had much experience in industry or any form of business—have been fighting the battle on the wrong front, looking over their shoulders at past inflationary problems rather than forward to the darkening skies of what will almost certainly be the most serious world recession since the war.

Six increases in the bank rate—making our interest rates the highest in the developed world—produced a seriously over-valued pound for a prolonged period. The speculators were happy to take the enhanced income that was offered to them, but the price was paid by our export manufacturers and farmers, for whom this monetary mismanagement has been a disaster.

The Bank of England and those on the Treasury Bench cannot accuse their critics of being wise after the event. For more than a year, some of us have been warning the Chancellor that 1999 would be a year not of inflation but of recession, or worse. On each occasion I have put that point to the Chancellor in the House—when one can catch him here on one of his flying visits from Europe—he has invariably dismissed it with his usual cocky bombast. He has uttered the meaningless slogan that he had no intention of pursuing a policy of boom and bust—as though anyone had asked him to do so. Now the penny has finally dropped, even for him. Boom is no longer on the British economic agenda, even as a slogan, but bust most certainly may be.

The academic economists have now cut interest rates and will doubtless cut them again, if not on their own initiative at least every time that Mr. Greenspan gives them the lead. The damage has already been done, however. There is always a time lag before changes in monetary policy are felt throughout an economy—it may be 12 or 15 months or longer. The damage caused by the Government's mistaken monetary policy—they cannot shuffle off the ultimate responsibility, certainly not in the eyes of the electorate—will be felt for a long time. Some exporters and farmers will never recover, but will be forced out of business.

The decision to give independence to the Bank of England has been a disastrous failure so far. The Chancellor is looking more and more like Philip Snowden and less and less like Maynard Keynes. As hon. Members from both sides of the House have pointed out in the past 18 months, if one puts a central bank in sole charge of monetary policy and gives it a target for inflation but not for growth or employment, one is bound to end up with an excessively tight monetary policy and rising unemployment.

That is exactly what happened in continental Europe, which was the main reason why Chancellor Kohl lost the German election on 27 September and why President Chirac lost his conservative parliamentary majority in the French Assembly. Mr. Lafontaine, the new German Finance Minister, seems to understand that well. In recent years, the record of the previous German and French Governments, whether of the left or of the right, has been disgraceful in the crucial matter of employment.

At a conference in Berlin at the beginning of the year, I pointed that out in a private conversation with a senior Minister in the previous German Government. I asked him whether he was concerned that unemployment in Germany was approaching the level that brought Hitler to power. He replied, "The situation today is quite different. Our social benefits are now so good that many Germans, particularly in the east, are better off out of work than in work and many of them don't want to work anyhow." No doubt that reply was realistic, but it represents a lamentable way to run an economy. That approach will eventually produce a lack of international competitiveness, which will be a threat to the welfare budget as well as to employment.

That is exactly what is likely to happen when fiscal and monetary policies are separated. Governments run an even laxer fiscal policy to cope with social discontent and the independent central bank tightens monetary policy to offset the lax fiscal policy. One ends up simultaneously with a monetary policy that is too tight and a fiscal policy that is too loose. That is the almost inevitable consequence of putting responsibility for the control of those two levers of economic management in different hands. The result is bound to be higher unemployment than is necessary to maintain a reasonably stable currency.

As Aneurin Bevan was fond of saying, "You do not have to look into the crystal ball when you can read the book." Turn to almost any page of that book in recent years and the writing is clear—it is set out in capital letters. In the 1980s, the United States Administration ran a lax fiscal policy, the Fed responded by running a tight monetary policy and American unemployment soared. In Germany, in the 1990s, the German Government ran a lax fiscal policy, the Bundesbank responded with a tight monetary policy and unemployment soared. In Britain, while we were members of the exchange rate mechanism, we followed the same policy mix, with the same dismal result.

In opposition, one of the most intellectually attractive aspects of new Labour thinking was that it appeared to have grasped the message that there must be a close correlation between monetary and fiscal policy. As soon as the new Chancellor, on his fourth day in office, announced that he was abandoning his personal responsibility for the difficult and politically burdensome task of fixing interest rates—a vital decision, which he had hidden from the electorate and, apparently, from most of his colleagues throughout the election campaign—I realised that the self-proclaimed iron Chancellor was clad in tin. So it has proved. After one year of boasting about his fiscal prudence, and as the Bank of England pushed interest rates higher, the right hon. Gentleman suddenly announced a popular and much looser fiscal policy and increased expenditure substantially over previous levels on assumptions about future growth that no one but he thinks are attainable. New Labour had transformed itself into the new Bourbons.

Mr. Lafontaine is a highly intelligent, outspoken man, full of interesting ideas. He is clearly destined to be a left-wing Newt Gingrich in Europe in the years to come, which will be tremendous fun. For all our sakes, we must wish him well, not least because of his declared intention to run our economy and tax system as well as his own. However much he may favour his general approach to Europe, our Chancellor is already jealous of Mr. Lafontaine because he is a real intellectual as well as being a real socialist. When I first entered the House, there were many people like that around and I rather miss them, so at this stage I feel well disposed towards Mr. Lafontaine, so long as he confines his activities to a purely German context. He clearly agrees with me about central banks, and he has made it clear that the lack of democratic accountability of the European central bank is unacceptable and that it must have obligations about employment and growth as well as inflation.

I seem to remember some of us—including, dare I say, my honoured Whip, my hon. Friend the Member for Beverley and Holderness (Mr. Cran), who is sitting on the Opposition Front Bench—pointing that out during debates on the Maastricht treaty and being much scorned by those on the Labour Front Bench for doing so. Of course, Mr. Lafontaine's suggestions for clipping the wings of central banks have produced howls of protest from bank governors everywhere. I cannot recall an occasion on which there has been such unanimity between governors. When they attend International Monetary Fund meetings in Washington every September, they are usually at each other's throats.

Mr. Lafontaine is also right to put the reduction in unemployment in Germany and Europe as his top priority. The political class in the European Community has shamefully betrayed its people on that issue for too long. At last, we seem to have a European Finance Minister who is determined to reverse the process, and all power to his elbow. Unfortunately, and this is where Britain must be careful, he seems so far to be less preoccupied with reducing supply-side rigidities in Germany and Europe than with emphasising the social chapter aspects of economic policy as his method of reducing unemployment. That would be a serious error if it were continued—an error into which the British Government are already falling. Like Britain, Europe needs—particularly if the world is heading for a deep recession, as I believe it is—flexible labour markets, enhanced skills and the encouragement of entrepreneurship to maintain competitiveness.

Attractive though they may superficially appear, shorter working hours, minimum wages, longer statutory holidays and extra social provisions are ultimately a direct threat to high levels of employment, as Germany and France have been demonstrating for some time. It is bad news for Britain that Labour seems to be going down that road and throwing away the benefits of some of our opt-outs from the Maastricht treaty.

Finally, contrary to what many hon. Members may expect, if there has to be a single European currency, I hope that it will be a success. It is in everyone's interests that it should be. A Europe in economic, social and political chaos would be bad for Britain. The fact that the single currency was a success in the continental sense would not be a reason for Britain joining it—but I will not develop my reasons for that now, as it would take too long and I hope to say something on the subject on a future occasion.

The nightmare scenario for the euro will be one of Governments pursuing lax fiscal policies while the European central bank counterbalances them by a tight monetary policy. However, that seems to be the most likely prospect for 1999 in our part of the world as those all around us move towards recession and, perhaps, to slump.

5.57 pm

Mr. Giles Radice (North Durham): I am glad to follow the hon. Member for Louth and Horncastle (Sir P. Tapsell), who always speaks with great style and brio. Indeed, he made a much better speech, or certainly a much more thoughtful speech, than the shadow Chancellor.

Dr. George Turner: Not very difficult.

Mr. Radice: Being a naturally polite person, I would not put it like that, but I congratulate the hon. Member for Louth and Horncastle on his speech although I do not agree with some of his views, as he knows. However, I agree that this Queen's Speech takes place against an uncertain world economic situation after the events in the far east and Russia, although it is perhaps slightly less uncertain than it was a month ago, thanks to decisive action by the Federal Reserve. In his praise for the Federal Reserve, I agree with the hon. Gentleman.

The world economic situation creates difficult problems for all western policy makers, but it is a particular problem for the United Kingdom given the fact that we were already deliberately slowing down our economy because of the dangers of overheating when we first came to power. The trick is to continue that slowdown without tipping over into recession.

The Opposition charge is that the pre-Budget report is far too optimistic in its forecasts and has left a black hole in public finances. No serious commentator agrees with the black hole argument; forecasts are always slightly suspect because no one knows the future, although I note that the Bank of England forecast is almost the same as that of the Government. Also, the Monetary Policy Committee has cut interest rates, for which it is to be congratulated. Incidentally, a distinction must be drawn between the Bank of England and the European central bank, in that the former has an inflation target and, if there is a danger of undershooting the target, the MPC is obliged to cut rates. That provides some defence against a recession, which I do not think that the hon. Member for Louth and Horncastle acknowledged.

It would be absurd for the Government to start to cut public spending on the flimsy ground that they got their forecast wrong. No responsible Government would do that. It is precisely when the dangers of recession are evident that public spending should not be cut. On the contrary, the automatic stabilisers must be allowed to work. The Government are following a sensible policy. With luck and good judgment, we will manage to avoid a recession in this country.

I agree with my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon), with whose speech I concurred almost completely, that the big economic event—only a month away—is the coming of the euro. The euro is enormously important not only for the 11 members who are joining in the first wave but for

[Mr. Radice]

the United Kingdom, which is staying out for the time being. We may have decided not to join the euro for the moment, but there is no way in which we can keep the euro out of the UK. That is the reality. It is bound to impact, one way or another, on the value of sterling. So far, sterling may have benefited from being used as a hedge against volatility in the euro, but if—as many people, including the Governor of the Bank of England, believe—the euro proves to be a strong and stable currency, sterling may experience a bumpy ride, going down as well as up. We do not know what will happen to the pound, but it could well be volatile.

There is also the impact on business. The Government are right to stress the need for preparation. Earlier this year, the Treasury Select Committee held hearings on the preparations for economic and monetary union. My hon. Friend the Member for Bolton, West (Ms Kelly), before she was translated into a Parliamentary Private Secretary, was there. Leading British firms such as ICI, British Steel and Vauxhall told us how they would be using the euro widely and expected their suppliers to do likewise. As Dr. Sykes of ICI told us,

"Euro liquidity will naturally spread throughout the economy".

That will happen whether people like or not.

Of course, there will be a major impact on the City. As I learned from the Bank of England's third euro symposium at the end of October, the City believes that it is ready for the coming of the euro. It expects to become the

"international financial centre for the euro".

The euro is that important for us.

I strongly support the Government's changeover plan, which will be published in the new year and will set out for business the steps that need to be taken to prepare for entry when we decide. The Government's policy of prepare and decide is a vast improvement on the wait and see of the Tory Government, let alone the 10-year delay of the Tory Opposition. The question is whether the Government's policy goes far enough.

Business leaders have told me and others that, although they much appreciate what the Government are doing, and although some are prepared to go ahead on the basis of risk, they would much prefer, and would welcome, a clearer sign than the Government have given so far that they will decide to join the euro once economic convergence is achieved.

Ms Abbott: Does my hon. Friend think that the Government's timidity about going into economic and monetary union is based on a technical objection, or on being terrified of the Murdoch press?

Mr. Radice: I think that the five conditions are very important, but it is also clear that the Government are realistic: they have to win a referendum. They must be certain, or pretty certain, before they call it that they will win it. That is only common prudence, because it would be a disaster not only for the Government but for the country if it were lost.

At the beginning of last week, more than 100 business leaders, from firms whose turnover represents more than a quarter of gross domestic product, signed a statement in the *Financial Times*. They concluded:

"Britain's best economic interest is likely to involve joining soon after EMU is established, and the best policy for Britain is one based on the assumption that we will join".

Since then, a further 150 business leaders have signed the statement.

On Monday, the officers and members of the advisory committee of the European Movement—including the hon. Member for Esher and Walton (Mr. Taylor)—the all-party group that was founded by Winston Churchill, of which I have the honour to be chairman, published a letter in *The Independent*. Its concluding paragraph stated:

"The best course for our country is to prepare now to be able to join EMU when the economics are right. The government's policy of commitment in principle to UK entry is welcome. We now need an unequivocal statement by the government of its intention to join EMU as soon as proper convergence of our economic cycles is achieved, matched by an assurance that pursuing such convergence will be a key element of domestic policy in coming years."

We are not asking for a specific date but, like my right hon. Friend the Member for Ashton-under-Lyne, we ask the Government to move from if to when.

In the concluding part of my speech, I want to comment on tax, because we have heard some extraordinary scare stories on it in the British press, and an echo of them from the shadow Chancellor this afternoon. To believe what we read in the *Daily Mail*, *The Daily Telegraph* or *The Sun*, we would have to believe that the British will have to put up their income tax at the behest of Brussels, that the UK is forced to put VAT on children's clothes, food and newsprint and that it is forced to adopt German rates of corporation tax. I need not bother to comment on the income tax scare, because no evidence whatsoever has been produced for that.

Mr. St. Aubyn: I am grateful to the hon. Gentleman for inviting evidence on the fact that income tax would have to go up. Is he aware of the publication "UK Economic Prospects", printed last December by Oxford Economic Forecasting, based on a well-known economic model? It said that income tax would have to rise if we entered the single currency.

Mr. Radice: That is a prediction by a forecasting body, and good luck to it. It is not a firm proposal from Brussels or anyone else.

Mr. Cash: Will the hon. Gentleman give way?

Mr. Radice: No. The hon. Gentleman has not been sitting in the body of the kirk and he came in late. On that basis, I am not prepared to give way to him.

It is worth commenting on *The Sun* story on VAT, which was a collector's item, because newspapers should not be allowed to get away with barefaced lies. I realised that even *The Sun* knew that it was treading on thin ice when its political editor, Mr. Trevor Kavanagh, was sent to make the rounds of the television studios last night. If the going gets rough, "Send Kavanagh" seems to be the newspaper's line. Its headline yesterday was "Euro tax on kids' clothes—We reveal secret VAT stitch up." It said:

"The tax grab plan was signed and sealed behind closed doors at the 1996 EU summit in Dublin . . . and Britain must agree if we join the single currency. The scheme is spelled out in EC document (96)328. The Sun has seen a copy."

So have I.

It is hardly surprising that *The Sun* has seen a copy, because the so-called "secret" VAT document was a Commission White Paper published in 1996. Perhaps it was not brought to Mr. Kavanagh's attention then. Obviously no one told him that the proposals in the document were not accepted by the Council of the European Union.

What *The Sun* did not say is that there are no EU proposals to get rid of zero-rating of VAT. That was confirmed on Radio 4 three days ago by Mario Monti, the Commissioner in charge of taxation. If there were any such proposals, they would have to be agreed unanimously by all member states. The United Kingdom is not alone in that respect: there are six other countries with zero-rating—Belgium, Denmark, Ireland, Italy, Finland and Sweden. Therefore, it is extremely unlikely that there will be any agreement to get rid of zero-rating. Certainly, that issue has nothing to do with the single currency or with UK entry into the single currency.

Mr. Michael Jack (Fylde): Will the hon. Gentleman give way?

Mr. Bercow: Will the hon. Gentleman give way?

Mr. Radice: I shall give way, for the last time, to the right hon. Member for Fylde (Mr. Jack).

Mr. Jack: Given the hon. Gentleman's anger about Mr. Kavanagh's misreporting, does he propose, as Chairman of the Select Committee on the Treasury, to invite that journalist to give evidence to his Committee and to explain that misreporting, so that we may all understand a little better how *The Sun* operates?

Mr. Radice: I think that *The Sun* has had quite enough publicity for that barefaced lie, so I certainly shall not do as the hon. Gentleman suggests.

It is absolutely true that Oskar Lafontaine, who has been so heralded by the hon. Member for Louth and Horncastle—never was a socialist so praised by a Conservative; normally one has to be dead to be praised, but apparently in this case one has to be German and a Keynesian—has said that he thinks that there should be a minimum rate of corporation tax. However, that is not yet a proposal of his own Government. I can state quite categorically that there is no question of Britain adopting German rates of corporation tax. Any proposal would have to be agreed unanimously and seven member states—not just Britain—have low corporation tax regimes, so it is hardly likely that those seven countries would agree to put up their corporation tax to German levels.

A code of conduct for business taxation was signed last December, a fact not commented on by those who criticised it—*[Interruption.]* Well, one person may have mentioned it, but no one else has. My hon. Friend the Financial Secretary chairs the group on the subject, which will be reporting soon. The so-called tax harmonisation scare has little to do with the single currency, but everything to do with the single market, which emerged from the Single European Act. The Conservative party introduced that legislation and the vast majority of Euro-sceptics voted for it, so let us not hear too many complaints from them when those issues are raised.

The United States model is of one country with a single currency but many tax rates, especially business tax rates. I welcome the Government's statement on taxes today. If there is tax harmonisation over the next 20, 30 or 40 years, it will happen because all countries, including the United Kingdom, want it. I predict that any harmonisation will be downwards, not upwards. That is why the comments that we have heard this evening are so misplaced. I shall vote for the Queen's Speech with especial confidence tonight, because of the Government's sensible policies on the economy and on Europe.

6.14 pm

Sir Raymond Whitney (Wycombe): I am sure that the hon. Member for North Durham (Mr. Radice) will not be surprised to learn that the passages of his speech with which I had the most difficulty were those dealing with the domestic economy. He suggested that the statistics on the likely growth rate of the economy over the next few years are flimsy and should therefore be disregarded.

Mr. Radice: I did not say that.

Sir Raymond Whitney: If I have misrepresented the hon. Gentleman, I beg his pardon. I understood him to say that the statistics were flimsy.

Mr. Radice: I said that all forecasts are just that—forecasts. We cannot foretell the future.

Sir Raymond Whitney: We certainly agree that forecasts are forecasts and that we have to handle them carefully, but we also have to govern the economy and I would suggest that the way not to govern the economy is to rely on the forecasts put forward by the Chancellor of the Exchequer. The hon. Member for North Durham also referred to spending and I understood him to say that he wants even more spending—again, I hope that I do not misrepresent him—although he is happy with the Chancellor's spending proposals. It seems to me that the spirit of Keynesianism is alive and well on the Labour Benches, although my hon. Friend the Member for Louth and Horncastle (Sir P. Tapsell) might have something to say about that.

I am sorry that the Chancellor of the Exchequer is unable to be here and I endorse the point made by my hon. Friend the Member for Louth and Horncastle that the right hon. Gentleman's absence is quite extraordinary. In my experience, which is rather shorter than my hon. Friend's, it is a unique omission that we do not have the benefit of the Chancellor's presence. Because the economy is at such a delicate and important juncture, it is crucial that the Chancellor should come to the nation and, indeed, the House, tell us what is going wrong, and give his explanation for it.

Preparing for the debate, I did a little research into the years running up to the election in May last year, and what a different song the gentleman who is now the Chancellor of the Exchequer sang then. In one famous—even notorious—speech, we were told about new ideas and the "new economic approach" to be vouchsafed to us. He spoke about

"the growth of post-neo-classical endogenous growth theory and the symbiotic relationships between growth and investment in people and infrastructure".

[Sir Raymond Whitney]

We were promised

"a new understanding of how labour markets really work",

and he referred to

"a new agenda for the future".

That future has now arrived and it is a fairly worrying state of affairs. The Conservatives' legacy has been squandered. I know how sensitive Labour Members are to reminders of that economic legacy, but it is important that they should be reminded regularly of it. They inherited the longest period of low inflation for 50 years and faster growth and lower unemployment than any other economy in western Europe, but the forecast for next year is that we shall be at the bottom of the growth cycle.

The Government's forgetfulness of the realities of 1 to 2 May 1997 was echoed today by the Chief Secretary, as it was in the Gracious Speech, when we heard that the Government had

"reduced . . . borrowing by £20 billion in its first year".

What do they think happened on 2 May 1997? Do they think that a bonanza occurred, that a tree covered with lollipops and bananas was suddenly produced and down fell borrowing? That £20 billion reduction reflects the success of the economy and the legacy from the previous Government that the present Government constantly deride. That is the reason why Treasury receipts are riding so high and how that £20 billion reduction in Government borrowing, about which we have heard time and again, was achieved. I hope that all Ministers will be prepared to recognise that reality in future.

The growth forecasts are a serious embarrassment, even to the Chancellor of the Exchequer, who as we all know does not embarrass easily. Nevertheless, he still insists that growth, which will clearly be less than 1 per cent. next year, will somehow and miraculously have risen to—I must get it right, as I do not want to do the right hon. Gentleman an injustice—2.25 per cent. in 2000. As one leading international bank said, that forecast is "hopelessly optimistic". Not even the Prime Minister believes that forecast—as he demonstrated in his speech at the Lord Mayor's banquet and, it is reported, in his speech to the parliamentary Labour party.

It becomes increasingly clear that the Government's promises—about which we hear daily—about the growth in public sector spending over the Parliament cannot be met. The Government allege that growth will continue at 2.75 per cent., year on year, throughout the Parliament. As my right hon. and hon. Friends have pointed out, something has to give. It will mean either higher taxation or massive inflation, and that is the real challenge facing the Government. It is bad news for the economy, particularly when we are facing turbulence, which is an international phenomenon.

One of the tragedies of this Government's record is that £37 billion of that increased spending—almost as much as the combined increase in the health and education budgets—will be allocated to social services. Meanwhile, the pressures on industry and the manufacturing and commercial sectors—which create the wealth on which the growth will be built—will increase as a result of the Government's actions. Increased taxation and the so-called "fairness at work" legislation will create further pressures. We all want fairness at work, but we know from bitter experience that trade union powers can be easily misused. Ensuring the rights of one worker may mean putting another out of a job. Industry is facing that and other existing pressures.

The pressures on individuals have been well documented. Most notable is the damage that the Chancellor of the Exchequer has done to pensions. I believe that the penny has yet to drop with the British public. When it does, it will have a serious political impact—as it should. It is particularly ironic that that attack on pensions and thrift has occurred at a time when Ministers are stressing the importance of personal private pensions. The lacuna in the Gracious Speech is what the Government plan to do about personal pensions. There was very little information about that in the Gracious Speech, and none at all in Ministers' speeches during the series of debates about it.

I take no pleasure in offering this gloomy perspective of the state of the economy, but it is undoubtedly true. Even more alarming is the bigoted complacency of the Government—most notably, of the Chancellor of the Exchequer. Receiverships and bankruptcies are increasing and the recession is in prospect. Barclays bank's latest briefing states:

"Forward-looking survey data are pointing to a deep recession".

During the Queen's Speech debates, the Government have offered no solutions and demonstrated the emptiness and vacuity of new Labour and the third way, about which we know nothing. The theories that the Chancellor of the Exchequer offered before the election—his endogenous theories to which I referred—have been shown to be empty and naive offerings. The Chancellor must come to the House and acknowledge and accept the reality facing us in the coming year.

6.25 pm

Mr. Denzil Davies (Llanelli): I expected the hon. Member for Wycombe (Sir R. Whitney) to speak about the euro, and hon. Members probably expect me to refer to that subject. However, like the hon. Gentleman, I will not. I have been mildly surprised by, and taken some pleasure in, the four speeches—including that of the Chief Secretary and those from the Labour and Liberal Benches—about the euro in this debate. The European movement is clearly in a bit of a panic.

It has been a bad week for euro enthusiasts. I know that because they have come to this place and co-ordinated or harmonised—I hate to say "orchestrated", as I am sure that that is too strong a word—their views. That is what we have heard today. I do not need to say anything about the euro because panic has clearly set in. I await with interest further debates about the veto, which will no doubt occur after the Chief Secretary has been liberal with Britain's use of it. I shall wait and see what happens.

I intend to speak about the Gracious Speech and the Government's reiteration of their commitment to an economic orthodoxy that prevailed for much of the 1980s and throughout the whole of the 1990s. That orthodoxy is now apparently summed up in one word. The word is stability and stability is the word. As I understand it, "stability" encapsulates three separate economic strands: price stability, balanced budgets and the oligarchy of the central bankers. Those three create a kind of economic trinity. So the word becomes three and the three become the word.

In his recent speech to the City, my right hon. Friend the Prime Minister is reported to have said—I only read the headlines these days—that stability is "sexy". As a Welsh Calvinist, I am not quite sure what he meant. However, I cannot help thinking that sex sometimes unleashes powerful forces that can make a mess of stability. So I am not sure whether the two always go together. To extend that analogy to the economy, there are powerful forces at work in the global economy and they are the antithesis of the powerful forces that begat the present economic orthodoxy.

The powerful forces that begat the economic trinity were the forces of inflation. However, the powerful forces that we see at work in the economy now are the forces of deflation. Therefore, the danger as I see it—nobody can foretell the future—is that stability and the present orthodoxy not only are unable to provide any bulwark against global deflation, but will give a fresh impetus to global deflation, driving prices even lower.

It is difficult to predict the future and to analyse the present. However, most people would agree that prices—not their general level, but the rate of inflation—are falling in most western countries. Farmers are getting less money for their produce. Hon. Members will be interested to learn that a newspaper states today that the price of hogs on the Chicago merchandise mart is at its lowest level in 27 years. The pig cycle is really loose in the land. I do not know about the economic cycle, about which Treasury Ministers talk. I do not know whether that lasts for seven years, 14 years or what. Clearly the pig or hog cycle is still with us.

The price of crude oil is now $10.30 a barrel, which is its lowest price for a long time. The prices of manufactured goods are falling in most western countries. In September, in euroland—the area encompassing the 11 countries that will join the single currency on 1 January—the retail price index or its equivalent was 1 per cent., so prices were rising generally by 1 per cent. In Germany, price inflation is close to zero, and in France, it is not much higher.

There is no need for me to go into detail about why there has been a fall in prices. Most hon. Members understand that global economic forces, the freedom of trade and capital and a lack of barriers have brought us back to a pre-1914 world where trade and capital move freely. The technological changes of the past 20 or 30 years have brought about a reduction in costs and greater efficiency and made it easier for other countries to compete with western nations. Enormous global competitive pressure, quite apart from macro-economic policy, is pushing prices down. To maintain their profit margins, larger companies increase their capacity. They produce more goods at the lower prices. We have an industrial hog cycle, as prices are driven down even further.

We tend to forget that the first country that suffered from all that—Japan—is the second most powerful in the world. That was some time ago. Whatever we think of price stability, Japan has plenty of it. I do not know whether the Japanese are enjoying it, but they do not need it. With the fall in prices in Japan came a fall in interest rates. I do not know whether interest rates automatically follow prices or whether the Japanese central bank reduces interest rates as a result of a fall in prices, but the two are connected. The bank rate of interest, or its equivalent, in Japan is now about 0.5 per cent. Low interest rates did not stop the fall in prices because there is now general deflation in Japan as price rises fall below zero.

The fall in interest rates had two consequences. First, it reduced banks' profits. Banks are certainly not popular on Government Benches and perhaps they are not popular in the country as a whole, but even banks have to make profits. If interest rates fall to 0.5 per cent., there is not much room for banks to make profits. No doubt, banks can charge more for cashing cheques or other services, but, in the main, bankers make their money by borrowing at one rate and lending at another. An interest rate of 0.5 per cent. did not give Japanese banks much of an opportunity to make profits, and that had an effect on the Japanese economy.

Secondly, and more importantly, low interest rates led to asset inflation. Retail prices may have fallen but being able to borrow at such low interest rates meant that the Japanese were able to purchase shares. More importantly in Japan, they were able to purchase more land and property. That asset boom eventually went bust, and the Japanese economy is still in a terrible state.

I shall deal now with the largest and most important economy in the world—that of the United States. We have heard in this debate and read in the newspapers what a wizard Dr. Alan Greenspan is. I am sure that he is, but let us, on these Government Benches, be radical for a change and dare to criticise him. I heard a sharp intake of breath from one of my hon. Friends, but I shall chance it.

Dr. Alan Greenspan, the chairman of the Federal Reserve, is not a happy bunny. I do not know whether one should call chairmen of central banks bunnies, but he is certainly not happy. For some time, I have detected panic in his pronouncements. Before the Russian crisis, Wall street was soaring to dizzy heights. Dr. Greenspan could do nothing. He went before Congress; he wrung his hands. Sometimes he sounded more like an amateur psychologist than the governor of a central bank when he deplored the irrational exuberance of Wall street. I do not know whether exuberance can ever be rational. He was worried, but the Russians gave him an escape route, at least for a short time. He did not have to put up interest rates to stop asset inflation on Wall street because the Russian crisis meant that there was deflation anyway.

Dr. Greenspan panicked again. He tried to save a ropy secondary bank, which is now called a hedge fund, and reduced interest rates three times in two weeks. Things were all right for a while, but share prices in the United States are rising again. They did not go up today or yesterday, but they are almost back to the pre-Russian crisis levels. Why? Because the costs of borrowing have been reduced and people can again borrow to buy shares.

Dr. Greenspan is worried about his constituency. He may be a central banker, but he has a constituency—Wall street. American consumers are not saving money and are using asset inflation on Wall street to buy goods. They are also almost totally dependent on share prices in Wall street for their retirement pensions. Dr. Greenspan is therefore locked into his constituency of Wall street. He is desperate and he is afraid to put up interest rates in case he brings down share prices. That affects American consumption, which affects most of the world.

[Mr. Denzil Davies]

Dr. Greenspan is not a happy bunny, but one central banker—Mr. Duisenberg—is a very happy bunny. I hope that I have pronounced his name correctly.

Mr. Radice: It is pronounced Doysenberg.

Mr. Davies: My colleague from the European Movement tells me that it is Doysenberg.

Mr. Duisenberg is a happy bunny. He is the happiest central banker in the world. He has a job that will last eight years; nobody can sack him. He is accountable to no person, only to a treaty, which must be nice because there is nothing behind the treaty apart from the European Court of Justice. He does not have to worry about a single Government or a powerful stock market, as does poor Dr. Greenspan. There is no Wall street to worry about when Mr. Duisenberg makes decisions. All he has to do is ensure price stability, and he is getting there. Inflation is down to 1 per cent. One more heave and Mr. Duisenberg will have achieved zero price inflation in western Europe. He is indeed a happy bunny.

There may be 16 million or 17 million unemployed people in western Europe. I do not know how many there are in euroland, but the figure is probably about 15 million. Mr. Duisenberg does not have to worry about that. He is accountable to the treaty, which includes only a few bland words about high employment.

What about the Bank of England? I do not know whether steady Eddie is a happy bunny. He is probably fairly happy because he has not done too badly. He has hit the 2.5 per cent. inflation target three times. As the hon. Member for Louth and Horncastle (Sir P. Tapsell) mentioned, there used to be leads and lags. I do not know what has happened to them these days. I wonder whether the hitting of the target three times is due to the brilliance of the Monetary Policy Committee or to a fluke. Perhaps we will never know.

As we have been reminded, the target is 2.5 per cent. My hon. Friend the Member for North Durham (Mr. Radice), Chairman of the Treasury Committee, nods in agreement. If inflation falls below 2.5 per cent., we can push it up again. We need some inflation—not for us zero price stability. In the British system, inflation must be 2.5 per cent.—not more, not less. Apparently, interest rates will be reduced in order to bring inflation back up. If it goes down to 2.4 per cent., we cut interest rates by a quarter of 1 per cent., and up goes inflation again to 2.5 per cent.

I am amazed that those who believe in the ideology of the free market and who condemn Government intervention also believe, somehow, in the ability of centralised banks to control an economy such as ours merely by pushing up or bringing down interest rates. My right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon) probably remembers that, in the 1970s, we were considerably criticised for fine tuning the economy.

Mr. Richard Shepherd (Aldridge-Brownhills): I suffer great confusion about all those measurements. Under the standardised European measure of inflation, as used for the Maastricht criteria, inflation in this country is only 1.5 per cent. I appreciate that that is higher than the average in euroland, which is—I think—1.1 per cent. How does that affect the burden of the right hon. Gentleman's speech, given that he is considering an inflation rate of 2.5 per cent., which is set by the Bank of England? Does that not magnify the effect of his point?

Mr. Davies: In this part of my speech, I am being a little Englander. I am looking just at the retail prices index and the Bank of England. Obviously, different figures have different consequences.

I was trying to make the point that there is remarkable control of the economy—this fine tuning. I gather from *The Times* this morning that we should call such control not fine tuning but monetary activism—fine tuning bad, monetary activism good. These fashions come and go, and now monetary activism is fashionable. A member of the Soviet Union would be delighted to hear that the Governor of the Bank of England is able, in this western capitalist economy, to control the economy in such a way merely by reducing or increasing interest rates by a quarter of 1 per cent. The danger is to believe that we can stop the fall in prices merely by reducing interest rates. It might not work; inflation might fall to 1.2 or 1 per cent. The problem is that interest rates would have to follow, and then banks would be affected.

I cannot foretell the future, but I believe that a transition may have to be engineered from the present orthodoxy, which is based on inflationary forces, to a new one, which takes account of deflationary forces. Whether western Governments, Finance Ministers and central bank governors have any longer the will to engineer such a transition—indeed, whether Governments have the leverage and power to do so—I do not know. But, if we cannot engineer such a transition, the industrial economies of the west will be greatly endangered. To paraphrase poor old Tacitus, who has been paraphrased so often, if we do not engineer a transition from one orthodoxy to the other, there is a very great danger that we will create a desert but continue to preach and advocate stability.

6.45 pm

Mr. Michael Jack (Fylde): It is a pleasure to follow the right hon. Member for Llanelli (Mr. Davies), who made a thoughtful and witty speech in which he may have sowed the odd seed of destabilisation in his Front-Bench team. I studied economics by reading Samuelson—one of the text books of the day—and recall that he talked much of the hog cycle. A useful addition to the next edition would be to incorporate the right hon. Gentleman's concept of sexy stability.

It is right and proper that the Opposition probe, question and, indeed, criticise Government economic policy in this debate on the Loyal Address. The Chief Secretary's speech mirrored the absolute complacency of the Gracious Speech's treatment of the economy. One would not think that there were a great deal to trouble the economic waters of the world. All we heard were some words straight from a BBC weather forecast: that the Government are

"making the United Kingdom well placed not just to weather the international financial storms but to emerge stronger from them."

That is no-problem-at-all language.

The Government's central domestic economic objectives in the Queen's Speech, which were reflected in the Chief Secretary's entirely complacent speech, are:

"high and stable levels of economic growth and employment".

That is never mind the fact that, potentially, we are heading for zero growth, rising unemployment, economic uncertainty and a mis-reading of what is happening in the world economy.

I spoke recently to bankers and retailers who have been to the far east, who say that we have mis-read the depth of economic activity in that part of the world, that it will visit itself on us in no uncertain terms and that, as right hon. and hon. Members have said, the Government's and the Chancellor's assumptions of growth are way out. I therefore regard the words in the Queen's Speech as a complacent approach to the economy.

Why is it important that the Government are more accurate in their forecasting and more realistic in what they say about the economy? I attended the agricultural show at Smithfield market earlier today, where I talked to an agricultural machinery manufacturer who has seen a 40 per cent. drop in sales as a result of the Government's economic policies. *[Interruption.]* No Labour Members were where it was at—where British manufacturing was trying to sell its products. The manufacturer pointed out that, when people in the agriculture business heard that things would become bad, even those who were planning to make an investment decided not to do so.

Such forecasts engender strong precautionary motives on investment. The Government do not seem to understand that numbers in economic forecasting are important, but that just as important is the psychological frame of mind of industrialists. If the Government are over-ambitious with their target for growth, and it is missed, as all independent forecasters predict, the message will go out that the Government have got it wrong, and seeds of doubt will be sown once more in the minds of potential investors, as they wonder exactly which way the economy is going.

It is important to be honest and straightforward with the economy. Having been in the Treasury, I know what goes on. Officials present a gloomy or difficult set of figures, which the Chancellor of the Exchequer says he cannot possibly sell politically in the wide world. Under the new regime in the Treasury, a few of his mates get together—officials are removed from the room—to work out what they will sell politically. They ask, "What numbers can we create to make all this sound terribly respectable and saleable?" They emerge with the kind of rubbish that we have heard in Government economic forecasting. That is what happens. It is an attempt to put political spin on the situation but ignore the real world.

Mr. Sheerman: The right hon. Gentleman has spent a long time in the House, and today he has witnessed a typical example of the Opposition's attempts to talk up doom and disaster, and to exaggerate the problems in our economy and in the European and world economy. The Leader of the Opposition, in what he said the other day, and the shadow Chancellor, in what he said today—not to mention many other Conservative Members—have been irresponsible.

Mr. Jack: If that is the best that the hon. Gentleman can do, obviously he has not read the average growth forecast of the group of independent advisers who advised the Treasury. They talk about 0.8 per cent. growth in 1999 and 1.6 per cent. growth in 2000. The latter figure is well below the Chancellor's forecasts of between 2.25 and 2.75 per cent. growth in 2000. Obviously, the hon. Gentleman also has not looked at table A7 in the Budget report, which points out that even the Chancellor admits that there is error to the tune of 1.5 per cent. of GDP in his own forecast. If one applies that scope for error to the figures for the current financial year, one is down to 0 per cent. growth.

I am asking only for honesty and proper language in dealing with these matters, because of the psychology of potential investors. I return to what I said earlier. In the real world of agriculture, people are influenced by the mood of what is happening, and over-optimistic statements by Ministers will do the country's future investment decisions no good.

Mr. Lindsay Hoyle (Chorley): Will the right hon. Gentleman give way?

Mr. Jack: No; I want to make a little progress, if I may.

In terms of transparency of thought, I believe that an implication of the over-optimistic growth forecasts will be an under-recovery in tax revenues. I should like an answer tonight to the following question: why are Treasury Ministers stalwartly unwilling to publish, on a monthly basis, forecasts of receipts for taxes in this country? We should have that information, to enable us to monitor carefully a key element of economic activity. The Treasury publishes figures for the actual receipts, but we have no idea how the flow of taxes—something that is an important monitoring point for future tax revenue—and, therefore, Government borrowing are going. In this day and age of open government, it is time that the Financial Secretary stopped making excuses in parliamentary answers to me, and provided that information.

While we are considering the performance of the economy, I have a chance to put the Government straight on some aspects of the previous Government's record. First, the Prime Minister triumphs in the fact that, in his judgment, it was the previous Government who had interest rates at 15 per cent. I remind him and his right hon. and hon. Friends that the previous Labour Government, before 1979, had interest rates at a similar level. Secondly, I remind him that, in the 1992 to 1997 Government, interest rates were not officially imposed at 15 per cent.

Thirdly, the Prime Minister triumphs in the present 2.5 per cent. inflation rate, but at the same time his right hon. Friend the Chancellor is fond of telling us that interest rate decisions taken 18 months ago affect the inflationary position now. I remind Treasury Ministers that my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) set the interest rates that got us the present inflation rate. It is a triumph not for the new Labour Government but for his expertise in blending together data from the Treasury and the Bank of England and—most important—the touch and feel of the real-world economy. The latter is lacking under the current regime.

Ms Keeble: Does the right hon. Gentleman accept that, since the general election, the rate on index-linked Government bonds has decreased from 4 per cent. to 2.5 per cent., which, in the real world, means that the

[Ms Keeble]

price of building a hospital has reduced by about £1 million? That is the real world of inflation and interest rates.

Mr. Jack: That bears out the point that I have been making—that the previous Government were set on reducing inflation, and that the present Government have continued in the same mould.

Finally, I reiterate the point made by my hon. Friend the Member for Wycombe (Sir R. Whitney). The reduction in borrowing for which the Government take all the credit had started under the previous Conservative Government. The fact that the new Government inherited our spending plans, combined with the strength of the economy and rising tax revenues, is the reason that borrowing has reached the present level.

The position on inflation and borrowing, which has been good news for the economy, has been achieved at a price. Although interest rates are now falling, we should always remind our citizens that they have paid a price for the Labour Government's approach on interest rate setting. Taking into account MIRAS reductions, the average mortgage of £40,000 now costs some £32 a month more than it did at the time of the general election. That payment, by those people, is a price that will haunt the Government when they go to the ballot box.

Setting interest rates is not a scientific activity; it requires real-world touch and judgment. I am disappointed that, in the Queen's Speech, there is no hint that the Government have considered reviewing section 11 of the Bank of England Act 1998. That section says that

"the objectives of the Bank of England"

are

"to maintain price stability, and subject to that"—

as the right hon. Member for Llanelli said—

"to support the economic policy of Her Majesty's Government, including its objectives for growth and employment."

The fact that the Bank's most important objective is to maintain price stability is one of the main reasons why interest rates have not been used more sensitively. Although interest rates have an important long-term effect on inflation, they also have a profound short-term effect. In the short term, the effect of interest rate decisions was to drive up sterling, decimating the prospects of manufacturing industry and sending agricultural activity well and truly into recession.

The fact that Barclays bank, in its forecasts, talks about unemployment rising by 500,000 in the next three years may be a sign of the real-world damage of the lack of sensitivity and touch. That is where my right hon. and learned Friend the former Chancellor got it right. He listened to what the real world was saying. The one thing lacking from those who currently set interest rates is a large dollop of real-world common sense.

It should be incumbent on the Government to produce a review of section 11 of the Bank of England Act 1998, to see whether it might be modified to give the Bank—if its independent stance is to be maintained—an opportunity to take into account wider issues. Another part of the 1998 Act gives the Chancellor the opportunity to intervene if situations merit such intervention. The Bank should be able to take into account the facts that we shall miss the growth forecast; that we have the biggest trade gap ever; and that, if the growth forecast is 1 per cent. adrift, another £7 billion of borrowing will be needed.

The Queen's Speech gives us no clues as to the Government's philosophy on, and approaches to, taxation. Previous Treasury documents contain a lot of waffly nonsense about fairness in the tax system, without defining "fairness". We get the idea that it has something to do with spending more public money and redistribution, but we do not know the Government's tax philosophy.

The previous Government made things clear. They aimed at a policy of low marginal rates; they aimed to encourage work—an objective that the present Government claim to share. However, I am not sure where the Government stand on overall tax policy.

In the "Financial Statement and Budget Report" for July 1997, tax receipts were forecast to be £382 billion. In the latest Treasury publication, for the financial year 2001–02, that figure has increased to £390 billion. The present Government have introduced 17 new forms of tax increase. Their total extra tax take in the 1999–2000 tax year will be an additional £7.135 billion, and all the data clearly show that tax, as a percentage of GDP, is rising under this Labour Government.

What statistical evidence is before the House that sets out the Government's philosophy and approach towards tax? I do not know, but it is about time that the Chancellor of the Exchequer and his ministerial colleagues produced the evidence. We need to know what the Government are doing. We are not certain whether they are trying to broaden the tax base. There are signs that taxes on aggregates, pesticides and car parking—small taxation measures that will produce £200 million, £300 million or £400 million in the winnowing of extra tax—are the way in which the Government will proceed. We certainly know that they will continue with the tax assault on the motorist. This will be done to maintain the only thing that we know about Government tax policy—the maintenance of the basic and the higher rates of tax.

It is about time that the Chancellor of the Exchequer made a clear speech on his tax philosophy. Apart from more tax in cash terms and as a percentage of gross domestic product, we are seeing a growing reliance on Inland Revenue tax as a source of revenue for the economy. In 1998–99, 55.7 per cent. of revenue will come from that source. It is important that we understand where the Government are going in that respect.

More people are paying tax under the Labour Government, even against the background of a start in an increase in unemployment. The previous Government tried hard to take people out of paying tax but the Labour Government have not made clear their objectives.

On many occasions, the Government have advertised the introduction of the 10p tax. It is Labour's big idea to try to give an incentive to work through the tax system. Again, unfortunately, the Government have not come clean. They will not tell us what the 10p tax will look like in reality. Let us explore some of the real-world implications. A 10p tax to replace the 20p tax would cost roughly £10 billion. I do not think that anyone on either

side of the House would suggest that the Government have £10 billion to spend on a 10p tax, so let us look at the proposal in another way.

If the Government decided that they wanted to spend on the introduction of a 10p tax the equivalent of 1p off the basic rate of tax, that would mean spending £1.8 billion. If, at the same time, they scrapped the existing 20p band, we would find that the Government could afford a 10p rate of tax on the first £1,400 of taxable income. That is a far less exciting prospect than all of the blandishments about a 10p tax.

It is interesting to recall the number of ways in which the 10p tax proposal has been recycled. In November 1992, it was advertised as a measure to "maximise the rewards from work". By the time that we reached the March 1998 Budget it was advertised as follows:

"When it is right for the economy, I will introduce a 10p starting rate of tax".—[*Official Report*, 17 March 1998; Vol. 308, c. 1104.]

That was with no other blandishments. By 23 April, we are told:

"When it is economically right to do so, and so that work pays more, we will introduce the 10p starting rate of income tax."

Mr. Oliver Letwin (West Dorset): My right hon. Friend is making a most interesting point. Does he agree that there is another slight oddity about the 10p rate of tax in addition to the oddities that he has mentioned? It is that the Chancellor of the Exchequer has brought it about through the working families tax credit that those who would be affected by the 10p marginal rate will be paying a 69p per cent. marginal rate in any event.

Mr. Jack: My hon. Friend makes a telling point. He is illustrating another key technical feature, which again the Chancellor of the Exchequer has not talked about. There is a crucial interaction, for example, with the married couple's allowance, which will cause great problems. The result would be that those on a 10p rate would not get the benefit of it. It is about time that the Government came clean and set out clearly the framework of the proposed tax.

I appreciate that the Chancellor of the Exchequer cannot tell us exactly about the timing of any tax change, but at least he should be honest with the British people and stop conning the people into believing that everyone will benefit from a 10p rate of tax. That will not happen. The right hon. Gentleman should make it clear whether he will restrict the 10p rate, for example, to those who are on basic rate or to those who are currently on the lower rate. Let us make it clear and let us stop, once and for all, the endless recycling of the same announcement, which so typifies much of what the Government do.

Let us come clean and make it clear that the 10p tax will do nothing to improve the work incentive. The Government say that the working families tax credit will have that effect. The Government must either get rid of the 10p tax rate or introduce it. If they do introduce a 10p rate of tax, there will be the problem of 10p, 20p, 23p and 40p rates of tax. That is complexity. We have nothing in the Queen's Speech about removing complexity from the tax system. We have heard nothing about the work that is taking place to improve clarity and further the reform of tax law. Where is the reference in the Queen's Speech to a Bill that reflects the work of the tax law re-write committee? There is nothing about that in the Queen's Speech, and it is about time that on this aspect of tax policy, and on others, the Government came clean.

Several hon. Members *rose—*

Mr. Deputy Speaker (Mr. Michael Lord): Order. I remind the House that Madam Speaker has put a limit of 15 minutes on Back-Bench speeches between 7 and 9 o'clock.

7.6 pm

Mr. Tom Clarke (Coatbridge and Chryston): Two weeks ago, in his Mansion House speech, my right hon. Friend the Prime Minister spelt out his views on the state of the British economy in the face of the global meltdown. What began last year as a local and regional crisis has spread from Asia to Europe and north and south America, becoming what is now a global crisis that is affecting us all. Against that background is the intention to steer a course of stability. My right hon. Friend then said that he wished to

"combat social exclusion and create a society of opportunity extended to all."

I fully endorse such a commitment and I commend the measures to achieve that in the Queen's Speech. I congratulate my right hon. Friend on his commitment to help some of the poorest. I want to apply the same logic and commitment to the wider world, more particularly, to some of the poorest countries. I fear that, unless there is significant change in the international financial framework, progress will be made much more difficult.

Over the past few months, we have heard much about the world financial system running out of control. For many this has not been a surprise—financial markets wield enormous influence in a precarious setting. Such is their influence that adjusting to the international economy—above all, to global financial markets—has become a fixed point of orientation in economic policy. Much of the activity of financial markets is speculative. It is often driven by short-term economic considerations and based, above all, on extracting gain from expansion and the velocity of financial turnover in currency, shares, options, futures and the rest. By watching capital look for the highest return, Governments have raised its price and inadvertently caused investment to shrink. There has been a race to the top for the highest short-term return.

It is held that Governments cannot successfully second guess market decisions, and it is implied that they should not try. That view might be defensible if financial market operators had a monopoly of market expertise, but they do not. The consequences of letting the market take the lead without a clearly defined global strategy are very serious.

It is true that there has been huge growth in consumption, but that does not tell us the full story. There is no doubt that current policies on trade and investment have been accompanied by increasing disparities between rich and poor, both between and within countries.

The recent tragedies in Honduras and Nicaragua were natural disasters and no single person was to blame. Nevertheless, we can see how aspects of the global market played a part in the disaster. Many aid agencies say that, economically, it was an accident waiting to happen.

[Mr. Tom Clarke]

Structural adjustment programmes, sometimes naively enforced by external agencies to develop export industries such as forestry to enable the country to pay off debt, mean that 30 per cent. of Honduras's forest has been lost since 1960.

According to United Nations figures, more than 70 per cent. of the Nicaraguan population was already living in conditions of poverty before Hurricane Mitch—a situation aggravated by the application of structural adjustment policies which dictate, among other things, acute cuts in public spending. Tragically, from the lakeside communities of Managua to the country's rural communities, it is precisely the poorer sectors that have been most affected by the recent disaster. The damage inflicted on a developing country, still struggling to pay off the crippling foreign debt while it emerges from a war and a long economic crisis, could prove to be devastating.

The already insufficient infrastructure has been badly battered, with roads, bridges and basic services terribly damaged. The Nicaraguan President claims that Nicaraguan development has been set back at least 30 years, although even before the hurricane struck the country had fallen 20 or 30 years behind the 1977 growth levels as a result of a war and the economic problems of the 1980s.

Structural adjustment programmes are precarious because they are blanket approaches which ignore the enormous differences between debtor countries, and do not always give priority to social and political contexts. If democracy is to mean anything, it is surely right to permit countries to shape their economies and societies, rather than to abandon the process to the dictates of the market alone.

The claim is often advanced that Governments can do little to alter the twists and turns of world markets, but that is wrong. Globalisation is not like the weather; it is not a natural phenomenon that we are unable to change. It is a systematic framework, which we have created and which can and should now be changed. We have global problems that will require global solutions. In short, we need greater change to harness extremes.

We must examine the volatility of international financial markets and their speculative pursuit of short-term gain and profit, over and above the welfare of some of the world's poorest regions. Some have suggested that a global tax on currency speculation, such as that proposed by the economist James Tobin, may be an example of the regulation that could render world markets more stable and productive. There may be huge difficulties, but the idea at least deserves discussion—I put it no higher.

New forms of economic co-ordination are crucial and worthy of debate. Organisations such as the International Monetary Fund, the World bank and the G7 often operate with separate agendas. Policy making is fragmented. That is not as fanciful as it may seem; we need only to think of the establishment of new multilateral bodies such as the World Trade Organisation.

By linking such bodies to measures aimed at alleviating avoidable economic suffering—by radically reducing the debt of many developing countries, and by generating new economic facilities at organisations such as the IMF and the World bank for development purposes—we would create the basis for entrenching global economics in a set of humanitarian and democratic mechanisms and procedures. The fundamental challenge is to improve the flows of high-quality investment that make a positive contribution to the host country's development path. That must include long-term commitment to the communities most affected by that investment.

The less-developed world needs more buying power, more aid transfers on generous terms and more intelligent support in its efforts to alleviate chronic poverty. Jubilee 2000 asserts that

"for every one dollar in aid given to developing countries, eight dollars comes back in debt service."

According to the 1997 United Nations Development Programme human development report,

"relieved of their annual debt repayments, the severely indebted countries could use the funds for investment that in Africa alone would save the lives of about 21 million children by 2000 and provide 90 million girls and women with access to basic services."

That is a powerful challenge to us all. Thus far, the global economy has excluded far too many. This year's UNDP human development report tells us that the poorest 20 per cent. of the world's people have been left out of the consumption explosion. Globally, the 20 per cent. of the world's people in the highest income countries account for a massive 86 per cent. of total private consumption expenditure. The poorest 20 per cent. account for a minuscule 1.3 per cent. Moreover, the least-developed countries account for about only 0.5 per cent. of world trade and investment. If that is not global exclusion, I do not know what it is.

Until the poor are brought into the international system with real influence, the global economy cannot be stable for long. The G7 countries plus the rest of the European Union represent a mere 14 per cent. of the world's population, yet those countries have 56 per cent. of the votes on the IMF executive board.

Change will not be easy, but come it must. Kofi Annan, the Secretary-General of the United Nations, has already called for a UN role in financial reform. I believe passionately that that is possible and that we must make speedy progress. For the good of the world, we need a dialogue of rich and poor, working in partnership.

My right hon. Friend the Prime Minister was right when he told us of the new role for Government in economic management, which I applaud, and measures that combat social exclusion and create a society of opportunity extended to all. We should employ the potential of all our people because we cannot tolerate a society that writes off its potential work force through poor education or social exclusion. There still remains an economic case for tackling poverty and unemployment at home and abroad.

I know that the Government recognise that we have a moral and economic duty to project and apply those arguments at a global level. We must acknowledge that it is in our own interest to offer hope to the poorest people of the poorest countries, by working towards a genuine practical solution encompassing the resources that they currently transfer. Without change, the global financial system will not lead to the prosperity that we want for developing nations and will never be realised. Hope, above all, must triumph over disenchantment.

7.20 pm

Mr. Ian Taylor (Esher and Walton): The right hon. Member for Coatbridge and Chryston (Mr. Clarke) has obviously worked hard on his speech and thought the issues through. In respect of the Gracious Speech, he was clearly referring to the privatisation of the Commonwealth Development Corporation as one of the measures that he welcomes.

Mr. Tom Clarke: Will the hon. Gentleman give way?

Mr. Taylor: I should be grateful to the right hon. Gentleman if I could get under way.

Mr. Clarke: Will the hon. Gentleman give way?

Mr. Taylor: Of course.

Mr. Clarke: I am extremely grateful to the hon. Gentleman. First, I thank him for his kind remarks, but, secondly, all my remarks related to the third paragraph of Her Majesty's Gracious Speech.

Mr. Taylor: I am grateful to the right hon. Gentleman for that clarification, as is the House. Nevertheless, I hope that he welcomes the privatisation of the CDC, the proposal for which I was delighted to see in the Gracious Speech.

When I was a Minister at the Department of Trade and Industry I did quite a bit to achieve a leap forward for the CDC. On a visit to Havana, I was face to face with President Castro. CDC negotiations to do something to help Cuba—that exemplaire of potential capitalism under President Castro—had run into the sand. I decided to push them through as best I could, and I persuaded President Castro to remove the only remaining obstacle to the agreement with the CDC, which was the reduction of some taxes. President Castro said, "Is that what you recommend?" I said yes, and he turned to his Finance Minister and said, "Reduce taxation; we are going to sign this deal tomorrow."

That is the way that things can be done in an enlightened regime, and the CDC is still active on the island of Cuba. I hope that its new-found freedom, which was referred to in the Gracious Speech, will give it even more power to do deals. I genuinely think that the CDC does some excellent work around the world, and is clearly no longer confined to the territory of the Commonwealth.

I was not minded to refer too much to the euro, but I was galvanised by the now-absent right hon. Member for Llanelli (Mr. Davies), who decided that the European Movement was in a state of agitation because we seemed to be co-ordinated. I was also inspired, in the opposite way than he intended, by the Chief Secretary, who failed to respond to my intervention.

The reality is that it is not the European Movement that is becoming agitated; as usual, those of us who are part of it are calm and collected as we approach the first day of the euro. The people who are agitated are those who have suddenly realised that the euro is a serious, practical currency which is about to be dealt in within what is effectively 80 per cent. of the single market—the single market that we created as Conservatives, under the great leadership of Baroness Thatcher.

We created the single market, and 80 per cent. of it will have a single currency within a matter of days, yet too many people seem to think that that is something that we do not need to bother about because it is only another foreign currency, or they believe—even more alarmingly—that it is something that we have to froth at the mouth about.

Unlike the hon. Member for North Durham (Mr. Radice), I am not referring to *The Sun*, but to that real third-rate broadsheet, *The Sunday Telegraph*. It not only frothed at the mouth, but, so weak are the grounds for its argument for opposition to the euro, it decided that it had to put on the front page of last Sunday's edition an opinion poll that was largely conducted between January and April 1997. That is hardly something that would usually be contemporary enough to get on to the front page of what used to be a quality newspaper.

Far from *The Sunday Telegraph* headline being accurate, it revealed that, even on the terms that it expressed about its own opinion poll, opposition to the euro had reached its lowest level for quite some time. In other words, opinion was gradually moving in favour of at least considering the euro.

I know that public opinion is still against by a larger factor than I care to contemplate, but let us ask ourselves why. For a start, very few of the positive arguments about the euro have been put forward. Secondly, the Government—to be fair—are saying that they could conceive of entry and that it is a possibility, and that they have a few criteria—five, at the moment—which, although they are subjective rather than objective, could be met at any stage. Those criteria give them a fig leaf that enables them to say, "Perhaps we have to watch this for a little bit longer."

Although they are at least doing that, the Government refused to state explicitly in the Queen's Speech or in the debate—so did the Chief Secretary, when challenged by me—that their policies on the economy are designed to enable this country to make the decision to join the euro, if the other economic conditions and circumstances are correct.

Whether one is for or against the euro, we can all agree that entry will not occur by accident. There must be clear political will for it to occur, and the policies that will enable us to converge. We must prepare not only industry—which is at least mentioned in the Gracious Speech—to start dealing immediately in what will be one of the most powerful reserve currencies in the world and something that will rapidly condition the way that our domestic economy is run, but the technical aspects, which are part of conversion and preparedness.

Many companies are saying to hon. Members on the Conservative Benches—and to hon. Members on other Benches as well—that they want a clearer steer from the Government. They do not want nice, comfortable waffle and they do not want the Government to say, "Perhaps industry should take the lead, because we do not want to offend the Murdoch press." Companies want the Government to be explicit about their intentions and how they will deliver them.

How will the Government so change their fiscal policy to accommodate the fact that, if they are serious about entering the euro within a matter of years, interest rates are likely to fall? Indeed, they will have to, unless continental rates converge towards ours, something that

[Mr. Taylor]

Oskar Lafontaine may provoke. I am afraid that my hon. Friend the Member for Louth and Horncastle (Sir P. Tapsell) has left the Chamber. He concentrated on the role of Oskar Lafontaine in the European debate, but I am referring to practical matters. If interest rates in the United Kingdom are to fall, what fiscal measures will be put in place so that the economy can deliver growth and stability, which the Government have said are their benchmarks for economic management?

The other vital factor—

Sir Teddy Taylor: Will my hon. Friend give way?

Mr. Taylor: We have a 15-minute limit on speeches, but bearing in mind our long-standing friendship, of course I shall give way to my hon. Friend.

Sir Teddy Taylor: Is it not the case that there are low interest rates in Europe and rather higher ones in Britain because unemployment is high in Europe and not so high in Britain? Is that untrue?

Mr. Taylor: I am grateful to my hon. Friend, who leads me right into my next point. The euro is not destined automatically to succeed. Those of us who are prepared to contemplate entry do not also say that it must succeed because we would like it to succeed. That would require a series of clear political decisions which could influence its ability to succeed. Perhaps the euro will drift sideways, or perhaps it will fail. Failure is widely understood by those on the Conservative Benches not to be in Britain's national interest.

My hon. Friend the Member for Rochford and Southend, East (Sir T. Taylor) is right: some key decisions will be made. How will the economic and stability committee—the Euro XI—make up its mind about how management of the fiscal elements of policy should be set alongside the European central bank's management of monetary affairs? What signals will be given? Will the central bank decide that it will target an external exchange rate for the euro?

Those are big questions, and there are many more. How will labour flexibility be used? What adjustments will be made between regions and countries within a single monetary policy zone? Those of us who are in favour of the euro do not deny that those questions exist. We are saying to the Government, "What is your position on each of those issues?" If we intend to join, we must make sure that the character of the euro is something with which we are comfortable. We must make our voice and our views heard in the European Union, although we are not part of the Euro XI committee.

There will, of course, be differences between Opposition Members and Labour Members in regard to the answers to some of those questions. In what must inevitably be a short speech, I shall not go into what those differences might be; but, regardless of whether differences arise over the way in which the economy, the Euro XI committee and the central bank should govern themselves, we must contribute to the debate. A letter published in *The Independent* on 30 November, which I signed, along with the Chairman of the Civil Service Select Committee—who also chairs the European Movement—states:

> "On the key issues now emerging—whether to adopt an external exchange-rate policy for the euro, how to operate the growth and stability pact and whether or not tax approximation may be desirable in a single currency zone—Britain's voice must be at the centre, not the margin, of policy formation."

The possibility of such an influence is a much clearer indication that the Government intend to join the currency. I urge Ministers not just to say, "Here is a positive European in the Conservative party: we can pat him on the head", but to give me—a Conservative who is also a positive European—some concrete answers. Some of us are anxious to be given such answers. If others are not prepared to ask the questions, I am. They are difficult questions, and they need careful consideration.

Over the next day or two, the European issue will continue to bubble, but by the beginning of January many people in this country will realise that something that will increasingly influence the way in which they conduct their business, and the way in which we conduct our domestic economy, is something that the British Government are fudging, in terms of commitment. Perhaps I am wrong; perhaps the Secretary of State for Trade and Industry was right to tell the Confederation of British Industry that it was "only a question of when". I should like the Minister who replies to tell me that the Secretary of State was right.

Perhaps the Secretary of State's predecessor is anxious to intervene and tell me that now, given the loyalty that exists between Ministers and their successors. I hope, however, that a clearer commitment will be given. The only reference to the euro in the Gracious Speech is a reference to the need to prepare British industry for it—and, as we have seen from an advertisement in the *Financial Times* last week relating to more than 100 business men and the 150 who have followed, British industry wants a good deal more from the Government than it is currently receiving. If it does not receive more, there will be considerable tensions during the next few months. Moreover, as ICI's chief economist has pointed out, if we are likely to be out of the euro for a protracted period, that will have a severe effect on British investment decisions, which can mean only one thing: more British companies will decide to locate within 80 per cent. of the European single market, rather than in the United Kingdom.

I would have liked to say more about the role of technology. The Government have done a constructive job in highlighting some of the issues that I tried to highlight when I was a DTI Minister, relating to the role of technology in the economy. Electronic commerce is incredibly important, and, if we do not do what is necessary to provide the right framework, the nation will suffer economically—in terms of every aspect of the economy. I know that Conservative Front Benchers are a little more hesitant, but I welcome the move to try to provide a framework for digital encryption and digital signatures. Without those, we shall not benefit from the advances that may be made by the United States and other competing economies.

The development of electronic commerce will be monumental. At present, at least 100 million people are connected to the internet; only 40 million were connected in 1996. That rapid expansion demonstrates

the importance of the internet to the United Kingdom economy. I hope that the Government will continue to concentrate on the issue, and will give us further details.

7.35 pm

Ms Ruth Kelly (Bolton, West): It is always an honour to speak in one of the debates on the Gracious Speech, especially when the Gracious Speech features such an ambitious agenda.

The right hon. Member for Horsham (Mr. Maude) said that the second Gracious Speech of a new Government should involve the maximum purposeful activity. I asked myself what he meant, and, having looked at the Gracious Speech, could only conclude that it involved precisely that. In what other way could we describe a programme that introduces, for the first time, a working families tax credit that will make work pay for thousands of families? How else could we describe a programme that will introduce a minimum wage that will set a floor for earnings, and will end the scandal of in-work poverty pay? The new deal has already created opportunities for thousands of young people, and I am delighted that it is to be extended to cover even more groups.

I consider the macro-economic agenda equally impressive. The Government are taking action to create an economy that is capable of sustained and steady growth. It is essential, over the next year, for them to build on what they have already achieved, steering a careful course even when growth in world trade has fallen by two thirds.

I welcome the Government's commitment to new fiscal rules and to more transparency in our national policy-making, but I believe that vigilance in national economic policies must be matched by a willingness to reform the international financial system to secure greater international stability. The Opposition may argue that the slowdown forecast for Britain was made in Downing street, but it is clear to all but a few that the impact of the crisis in east Asia has reverberated across the developed world. We ignore at our peril the fact that a quarter of the world economy is now in recession, including the economy of Japan. The right hon. Member for Horsham mocked the Chancellor's attempt to forge a new financial infrastructure for the global economy. In that, too, he is isolated and increasingly extreme.

I was very interested by the speech of my right hon. Friend the Member for Coatbridge and Chryston (Mr. Clarke), and intend to build on some of what he said.

A key challenge for the Government over the next year must be the devising of new international rules of the game to build confidence and credibility in the global system. It is worth recalling the remarkable growth that has taken place in the foreign exchange markets over the past 25 years. Since 1973, the foreign exchange market has grown fourteenfold, thriving in a world free of capital controls. The $1.3 trillion traded daily in the foreign exchange market that was registered in 1995 represents an increase of 50 per cent. since 1992. Unfortunately, however, the global financial infrastructure has become increasingly outdated.

The events of the past few months have demonstrated the deep-rooted inadequacies of our understanding of the relationships between financial markets and between countries—especially in regard to developing, emerging market economies, the quality of risk assessment and gaps in the international regulatory structure. That is why it is particularly appropriate for the Chancellor to be at the forefront of international attempts to rethink the financial institutions. I accept that capital market liberalisation can bring enormous benefits to developing countries. The theory is that freer capital markets can give developing countries access to global savings, so that they can invest more in order to grow faster. Until recently, Asia seemed to prove that case.

Mr. Shaun Woodward (Witney): I recognise the efforts that the Chancellor may be making outside the United Kingdom. However, as we heard today from my right hon. Friend the Member for Horsham (Mr. Maude), 1,200 jobs were lost today at the Courtauld textiles factory, and only last week—on black Friday—4,000 jobs were lost. What does the hon. Lady think should be done to protect jobs at home?

Ms Kelly: The hon. Gentleman completely misses the point. Does he not realise that 400,000 jobs have been created since the Government came to power, that interest rates are falling and that the inflation rate is on target for the third time? It is time to look at our domestic economic policies to see how that transparency can be injected into the global financial system.

It is clear that capital liberalisation can bring important benefits to developing countries, giving them access to savings that they might not otherwise have had. As east Asian countries erased capital controls during the 1990s, they enjoyed inflows of money amounting to between 5 and 10 per cent. of gross domestic product. That went hand in hand with faster growth, but fast liberalisation of capital markets can have its dangers. The 1990s witnessed a movement of capital to emerging market economies on a scale relative to GDP not seen since the gold standard era of the late 1880s to early 1900s.

Let us take the five countries that have been most damaged by the recent crisis—Indonesia, Malaysia, South Korea, Thailand and the Philippines. Between them, they had net inflows of $41 billion in 1994. By 1996, that had jumped to $93 billion. Over the years, inflows substantially exceeded the current account deficit, allowing Governments to accumulate $37 billion in additional reserves.

When panic hit last year, the net inflow turned into an estimated outflow of $12 billion. The swing in the net supply of private capital was a staggering 10 per cent. of the combined pre-crisis GDP of the five economies.

The response has been dramatic. Countries have had to slash domestic spending and rein back trade deficits, sometimes sharply. Malaysia has so far been alone in reimposing capital controls to shield itself from the frenzy of the markets and to buy itself some breathing space, but, by doing so, it deepened the crisis in other parts of the region, and undermined confidence among international investors in east Asia even further.

Many commentators, including the International Monetary Fund, have blamed the emerging market economies themselves for their problems. They have argued that any international help should be accompanied by even greater capital liberalisation and yet harsher economic policies, policies that the eminent United States economist, Paul Krugman, describes as "playing the confidence game"—trying to win back the confidence of the international markets.

[Ms Kelly]

Of course, the IMF is right in some respects. Some of the problems were home-grown and valuable lessons have been learnt. The evidence suggests that the extent to which capital movements are destabilising depends largely on the strength of a country's financial system and the soundness of its economic policies, but how on earth can anyone argue that the punishment that those countries face fits the crime? What the crisis has exposed far more than any policy "crimes" is the inadequacy of the international financial system in the face of an increasingly interdependent global economy, in which capital flows are virtually instantaneous.

For 50 years, our policies for regulation, supervision, transparency and—yes, I will say it—stability have been devised and developed for a world of relatively sheltered national economies, with limited capital markets. Now that markets transcend national boundaries, that system needs to be completely rethought. I congratulate the Chancellor on playing his part in international forums that are trying to do that.

What is now called for is a new Bretton Woods—not a system of fixed exchange rates, like the old system, but a new financial infrastructure. The Chancellor was right to underline the need for greater transparency and openness, including the implementation of codes of practice and conduct in monetary and fiscal policy and corporate governance. Those should strengthen incentives on Governments to pursue sound economic policies and enable market participants to price risk more effectively.

Financial supervision and regulation must also be improved and early warning mechanisms put in place to help to prevent further crises. Short-term mechanisms must exist in case crises do strike, with the international community able to mobilise capital quickly to underpin economies of countries whose policies are clearly sound.

Although we should recognise the benefits of free capital movements, international leaders and developing economies need to approach the concept of capital market liberalisation with a little more caution. As long as countries are open to massive movements of hot money, there will be problems. As long as capital flows freely, nations will be vulnerable to speculative attack and policy makers will be forced to play the confidence game.

Of course, it is not easy to limit the movement of international capital, at least not without threatening the strangulation of international trade, but we cannot sanction a system that allows developing countries to be exploited by foreign capital that they do not need and which then forces them to resort to panic controls on capital outflows when crisis hits.

I have been an advocate of a small tax, devised by the Nobel laureate, James Tobin, on foreign exchange transactions. That would make speculation more costly, while having little effect on long-term investment, but I accept some of the criticisms of the tax. Enforcement would be difficult and it would not necessarily solve problems such as have arisen in east Asia, where the biggest sellers of local currencies were not speculators; they were local firms desperately trying to hedge or to repay debts denominated in dollars. However, we could act to protect developing markets from the sort of onslaught that we have recently witnessed by encouraging them to liberalise their capital markets more slowly and cautiously. There are encouraging examples of the dividends that can be reaped from caution.

Take Chile, for example. In 1982, it had a crisis strikingly similar to that in east Asia. Since then, despite being a robust supporter of the free market, it has actively sought to discourage short-term inflows of foreign capital. All loans and bank deposits from abroad are, effectively, taxed. When a company borrows abroad, for example, 30 per cent. of the loan must be deposited for one year in a non-interest-bearing account at the central bank. The controls are likely to explain partly why Chile has enjoyed steadier growth than most other emerging economies over the past decade.

Would it not have been preferable if Thailand and Indonesia had restricted borrowing from abroad in a like manner, rather than encouraged it? Perhaps South Korea might have avoided such a run on its reserves if controls on short-term borrowing had limited its exposure to foreign banks.

Once financial and regulatory systems are well established, capital markets can be opened fully, perhaps with a new world financial authority standing ready to police global capital flows, ensuring that the necessary international standards are in place. In the event of a crisis and where a country adopts good policies, I would like a world financial authority to sanction temporary debt standstills by lending into arrears.

As Jean-Michel Camdessus, the IMF managing director, has put it, the IMF's goal should be to ensure that the world has adequate protection against the risks of globalisation, together with the chance to embrace the opportunities it provides. That should be our goal too.

7.48 pm

Mr. John Horam (Orpington): I was interested in the remarks of the hon. Member for Bolton, West (Ms Kelly), but may I bring the House back to the broader canvas of the immediate problems that are addressed by the Queen's Speech?

The Chief Secretary to the Treasury attempted to give his remarks some sort of theme by using the word "modernisation". Modernisation is a totally empty concept. It can include anything that we say has changed. It does not address the Labour party's traditional problem of finding a way in which to improve the mechanisms for delivering economic growth.

When Jim Callaghan, now Lord Callaghan, was Chancellor of the Exchequer and addressed the Labour party conference—the President of the Council and Leader of the House of Commons may recall this—Hugh Scanlon, no less, stood up in the middle of his peroration and said, "Aye, but Jim, where's the mechanism?" Callaghan reached behind the podium and, with a rather oratorical flourish, waved a document and said, "Here, Hugh. Here's the mechanism." It was the national plan, which lasted about another three months. That is the Labour party's traditional problem in addressing economic problems.

Mr. Woolas: Will the hon. Gentleman give way?

Mr. Horam: We are on a time limit. I am sure that the hon. Gentleman will forgive me.

The Labour party does not understand the need to address continuously the mechanisms for delivering economic growth. The Queen's Speech shows its lack of thought in that respect.

The great strength of Conservative Governments in the 1980s and 1990s was that they understood the importance of addressing and readdressing the supply side problems of the economy and coming forward with specific measures to help. Thus it was that we denationalised, deregulated and lowered taxes, all of which had a strong positive effect on economic performance, such that Paul Ormerod—no defender of the Conservative party—was able to say in his recent book that a great triumph of those Conservative Governments was to establish a framework for enterprise. That is precisely what we did.

The enterprise framework created by the Conservative Government was widely admired abroad, and other economies adopted the privatisation methods pioneered by that Government. The hon. Member for Bolton, West was talking about international economics. The Indian economy, for example, has been released totally by finally forsaking London school of economics-Fabian-socialist economics and adopting a sensible market approach.

The Conservative Government of those years tackled not only the private sector but the public sector. That reform, indeed, was modernisation and creation of a method of delivering services that was recognised around the world as pioneering. When I was a Minister in that Government, we reckoned on reducing public sector costs by at least 30 per cent. every time we put something out to competitive tender. Equally, over 10 years, using those means, public sector costs were reduced by £1 billion. Over 10 years, the number of civil servants was reduced from 1 million to 750,000.

We did not stop that work even when a general election was imminent. When I was at the Cabinet Office, for example, we continued—within a year of the previous general election—to privatise Her Majesty's Stationery Office, the Recruitment and Assessment Service and the occupational health service. When I was a Health Minister, we managed to get the NHS supplies company to a point at which it could be privatised. In only the last year of the previous Government, my right hon. Friend the Member for Henley (Mr. Heseltine) continued with his deregulation, abolishing 1,000 regulations.

Politically, perhaps all that was done foolishly, as we were accused of trying to do too much while electoral defeat might have been staring us in the face. At least it showed that that Conservative Government were committed to using the power they had for positive purposes, and for the good of the economy and of the British people. I was proud to be associated with that record, which I should be happy to defend.

I was appalled by the Queen's Speech because of its absence of such a drive to make improvements, which seem to have dried up to a trickle. However, there is one exception. I congratulate the Government on one rather technical matter that no hon. Member has mentioned in the debate. The Queen's Speech states:

"A Bill will be introduced to transfer the Contributions Agency to the Inland Revenue, paving the way for better and simpler collection of National Insurance Contributions and tax."

I warmly welcome that very good measure and simplification. Labour Members may not be aware—even Ministers, as they do not see the papers of the previous Government, may not be aware of it—that I myself spent three years at work on the matter. Undoubtedly, a similar measure would have been introduced had a Conservative Government remained in office. However, I unreservedly welcome that part of the Queen's Speech.

Most of the other paragraphs in the Queen's Speech—such as that on new trade union legislation—will have a retrograde effect. The Speech states that the Government

"will bring forward measures to establish a forward-looking balance of rights and responsibilities".

"Forward-looking" is an interesting spin on a measure that is precisely backward looking, in bringing back measures that had been abolished to help the economy. Nevertheless, in an astonishing piece of pedantry, Ministers call it forward looking.

The Queen's Speech states:

"My Government will introduce legislation to modernise local government in England and Wales and secure delivery of high quality local services on a sound financial footing."

Of course that means dropping competitive tendering, which is called something different now—value for money or something like that. The fact is that the drive to reduce costs and to outsource properly and sensibly in local authorities will go. The commitment to reduce costs will be eliminated.

The Queen's Speech states:

"Regional Development Agencies will be established in England, decentralising decision-taking to the English regions."

It is another piece of bureaucracy and interference in the planning mechanism. The other day, the Secretary of State for Trade and Industry was making much of the McKinsey report on productivity and efficiency. However, one of the points in the report was precisely that the planning mechanism inhibits enterprise. Now Ministers are introducing another element into current United Kingdom planning mechanisms. It is very strange proposal to promote economic growth.

The Queen's Speech states:

"Legislation will be introduced to create a new Greater London Authority . . . There will be a range of powers to make London a world class city".

There will also be an industrial development agency for London—what nonsense! We need such an agency like we need a hole in the head—as if we do not already have enough support for industry in our capital city. It will simply complicate the business of releasing enterprise.

Like other hon. Members, I welcome legislation to create a financial services authority. We go around that course again every 12 years or so, but it is very important that we get the legislation right. I support other Conservative Members in saying that, so far, there has been scant evidence that the draft legislation either is finished or will deal with many of the problems.

I should like to draw an important point to the attention of the House. I have a report from the Real Time Club, entitled "Funding Technology-Based SMEs—Key issues to be resolved in the 1998/9 Financial Services Act", which states:

"Following a series of investigations by the Bank of England and others, it is now generally agreed that technology-based SMEs, particularly in their early stages, have considerable difficulty in

[Mr. Horam]

obtaining adequate funding. As a consequence the UK economy loses out in the creation of wealth, in new jobs, in the balance of payments, and in forgoing tax revenues . . . The paper therefore proposes that the current review being undertaken in the context of the forthcoming 1999 Financial Services Act should be used to remedy these deficiencies."

All the information that I have from sources close to the current negotiations and discussions reveal that Ministers have taken on board none of the points made by those who are well versed in that extremely important issue. I hope that the Paymaster General is listening to the comments on the issue—rather than reading a rather extensive tome—because he can do something about it.

Technology-based small and medium enterprises in the United Kingdom are not receiving the right funding. In providing funding, we are well behind the United States, and we are increasingly falling behind many countries in Europe. If the Paymaster General would like to address those issues before the financial services authority Bill is introduced, the House should be grateful to him. Some progress must be made on the issue. However, from the information that I have, I believe that there is scant evidence that any is being made. The Government are not listening to the serious points being made by people who know a great deal about the matter.

The sad thing about the Queen's Speech is that it does not deal with the United Kingdom's fundamental economic problems—which is what we are debating today—or command confidence. I agree that many of the measures that I have mentioned—like an increase in interest rates or taxation—will not come into effect and have consequences for the economy immediately. However, over time, the failure to keep up with the drive to continue making improvements in the supply side of the economy, and the introduction of measures to restrict and impose costs on the supply side, will insidiously erode the enterprise culture so successfully established by the previous Government. Therefore, despite all that the Prime Minister would like us to believe, I do not think that they are a modern and reforming Government.

7.59 pm

Mr. Mark Fisher (Stoke-on-Trent, Central): I am grateful for the opportunity to speak in tonight's debate. I hope that the hon. Member for Orpington (Mr. Horam) will forgive me if I do not follow him down the curious byways of his selective memory and his interesting political career.

Between 1983 and 1985, I was a member of the Treasury Select Committee, but having spent 13 years on the Front Bench developing policy on just one issue—the arts—I welcome the opportunity to resume my contribution from the Back Benches to the somewhat wider debate on the economy. However, I wish that it were taking place in happier circumstances.

There is too much evidence, which has been rehearsed by hon. Members on both sides of the House, that economic storm clouds are gathering around the world. The reasons for this darkening situation are beyond the control of any one nation, even the United States, but that makes it all the more important that we do all that we can by way of economic and fiscal policies to put our national economy in the best possible state to withstand any damage. That is why my right hon. Friend the Chancellor is absolutely right to press for reform of international economic institutions, not to cut public expenditure, to work as closely as possible with other European Finance Ministers and to do as much as he can to prepare for economic and monetary union.

As my right hon. Friend the Chief Secretary to the Treasury said at the start of his speech, the main theme of the Queen's Speech is modernisation—as essential a contribution as any to preparing the economy for the hard times ahead. Indeed, the word "modernise" appears no fewer than 11 times in the text. It is used to describe the Government's approach to the law, the welfare state, local government, parliamentary and constitutional reform and industry. After 18 years of poor government, it is vital that we tackle the neglect of our predecessors, but using one word in so many contexts is not necessarily an aid to clarity.

What do we mean by modernisation, particularly in relation to industry and the economy? In our first Session, we cut corporation tax, introduced a national minimum wage and gave independence to the Bank of England—all modernising and very necessary initiatives.

Mr. Woodward: Will the hon. Gentleman give way?

Mr. Fisher: I am limited to 15 minutes. I am sure that the hon. Gentleman will be able to make his own speech.

In this Queen's Speech, the Government address the growth of electronic commerce. On Wednesday, my right hon. Friend the Secretary of State for Trade and Industry told the House that we had to adapt our legal and regulatory environment from one that addressed the needs of trade and material goods to one that met the requirements of electronic commerce. He called for a national crusade to make us world leaders in internet business. I welcome that.

At last the Government recognise the commercial importance of information in a way that quite eluded Ministers in the previous Administration, with the honourable exception of the hon. Member for Esher and Walton (Mr. Taylor), who spoke earlier. His Cassandra-like warnings that we were being left behind in the race to develop new technologies were ignored by his ministerial colleagues. That market, which is conducted in the English language, is growing every day, is already generating substantial profits and can play a major part in reducing costs. For example, the electronic booking of an airline ticket can reduce the cost of the transaction from $8 to $1. However, I hope that we are not so glamorised by the thrill of the new star, electronic commerce, that we allow the old trouper, manufacturing industry, to shuffle off the stage. That there could or should be a choice between them is a delusion.

Although it is not a fashionable view, I believe that manufacturing remains of great importance to our economy. Lady Thatcher and Lord Lawson refused to accept that. They looked at the statistics and pronounced the terminal decline of manufacturing, declaring that we were a service economy. That was a simplistic judgment which we must not repeat in our pursuit of modernisation.

It is true that, partly as a result of the policies of the previous Government, manufacturing jobs fell from 6.75 million in 1979 to 4.8 million in 1986 and to just over 4 million today. It is also true that growth in

manufacturing, which, on average, has been 1.8 per cent. a year since 1986, is well behind growth in services of 3 per cent. a year and growth in the general economy of 2.5 per cent. and that the contribution to general domestic product of production industries of 25.4 per cent. compares unfavourably with that of the service industries at 67.9 per cent. However, the figures conceal a more complicated and, I believe, more positive picture.

The service sector is not, as it may appear, a coherent whole. It is made up of a number of disparate parts: transport, communications, leisure, catering and financial services. Our economy continues to comprise three major players: finance and the financial sector, at 22.4 per cent.; public administration, at 22.2 per cent.; and manufacturing, at 20.6 per cent. We cannot afford to ignore the importance of manufacturing industry. Crucially, manufacturing remains central to our balance of trade and export performance as it contributes 63 per cent. of total exports. That percentage has been constant over the past decade, compared with the contribution of services of between 20 and 30 per cent—last year, it was 24 per cent.

To maintain that export performance, manufacturing industries, such as ceramics in my constituency, have not waited for the Government's call to modernise.

Mr. Woodward: Will the hon. Gentleman give way?

Mr. Fisher: I am sure that the hon. Gentleman will have the opportunity to make his own speech. I would have been happy to give way had it not been for the 15-minutes rule.

Manufacturing industries have done much to modernise products, develop new markets and harness new technologies such as robotics in production and computer-aided design to improve productivity.

What role is there for the Government to support the modernisation that is already taking place? In recent months, the CBI, employers' organisations, such as the Engineering Employers Federation, and almost all the trade unions have called for a cut in interest rates to reduce the level of the pound. Although the recent cuts are welcome, they are not sufficient. I believe that more would be beneficial, and they will come. The reason for caution that the Governor of the Bank of England consistently gave throughout the summer was the desire to avoid overheating the economy. Sadly, that is no longer a problem. Nor would a cut in interest rates be an artificial help to manufacturing industry; it would be good sense. It is in our national interest that the goods that we produce, as long as they are well designed, well marketed and competitive in every other way, should be able to compete, particularly in Germany, France and Italy, without being inhibited by the level of the pound.

The economy generally and manufacturing industry in particular would be helped if the Government widened the remit given to the Bank of England as part of its new independence to consider factors such as growth and employment as well as inflation. As hon. Members have said, Dr. Alan Greenspan's remit at the Federal Reserve bank is considerable wider than that of Mr. Eddie George.

Perhaps of even greater general importance to manufacturing industry is the Government's attitude. If they can bring the same concern, energy and imagination to manufacturing industry as they are undoubtedly bringing to electronic commerce and new technologies, that will be a huge improvement.

I would have liked to relate the theme of modernisation in the Queen's Speech to one piece of legislation that will not be introduced this year—a freedom of information Bill. It is a crucial element in modernisation and could be important in helping industry and therefore the economy. Freedom of information legislation could have helped the previous Government to identify some of the problems of bovine spongiform encephalopathy far earlier, thus avoiding much of the consequent damage to agriculture. However, the 15-minutes rule is against me and I look forward to plenty of opportunities in this Session to participate in the scrutiny of the draft freedom of information legislation that the Queen's Speech promises. I welcome that as an imaginative and important way of airing the difficult choices that lie behind the introduction of such legislation.

I look forward to the Government's implementation of the Queen's Speech and to a Queen's Speech next year that includes legislation on freedom of information and, I hope, some evidence of a sustained revival in manufacturing industry. Both contribute to the modernisation of society that my right hon. Friend the Prime Minister has set as our goal and both will demonstrate that modernisation is not a catch-all or a mantra, but a complex process with many facets through which we can and will enrich our society and our economy if we learn the lessons of the past as well as looking to the future. I believe that it will prove to be the best bulwark against the hard economic times whose shadow is, I fear, spreading across the globe.

8.10 pm

Mr. Steve Webb (Northavon): The majority of speeches so far have concentrated on the macro-economy and the euro. I want to concentrate on a central plank of the Government's economic policy that has been mentioned, only briefly, by the hon. Member for Bolton, West (Ms Kelly) and the right hon. Member for Fylde (Mr. Jack), who is no longer in his seat: the working families tax credit.

The working families tax credit puts me in a quandary. It is £1.5 billion for the low paid. Perhaps low paid is stretching it a bit, given that it will reach higher rate taxpayers, but in principle it is for the lower paid. On the whole, I tend to favour extra money for the poor and the low paid. However, that is about the only good thing that I can say about the scheme, because it is incredible how little evidence there is for the Government's views on how that £1.5 billion should be spent.

It is said that the working families tax credit will make work pay. That sounds laudable. It is said to be good for work incentives. Whom is it supposed to encourage into work? It applies to only two groups—lone parents and working couples or couples with children. The biggest barriers for lone parents are not primarily low pay or the incentive structure, but the availability of child care and jobs. In the debate some months ago on cutting lone parent benefit, the hon. Member for Cynon Valley (Ann Clwyd) said that there were barely any vacancies at her local job centre, but there were dozens of lone parents looking for work. The failure to tackle the supply of jobs will not help incentives.

[Mr. Steve Webb]

There is a more fundamental issue. The Chancellor has cut the taper in the working families tax credit. Clearly, that will mean that fewer people will lose 70p in the pound at the margin, but more people will lose 50p in the pound at the margin. Is that unambiguously good for incentives? Where is the evidence? The Chancellor has not put any forward and I do not suppose that there is any. It is an act of faith.

What about the argument that paying the benefit through the pay packet rather than through the social security system will reduce stigma? Where is the evidence for that? The money will still have to be claimed. Where is the evidence that the take-up of the working families tax credit will be greater than the high take-up of family credit? There is none.

The key evidence that we have is that, when people on income support are asked what the biggest barriers are to moving off income support, they talk not about child care or the lack of in-work benefits for being a family, but about the lack of help with housing costs. If they take a low-paid job, they lose help with their mortgage or their rent rebate falls rapidly. The Government have missed a golden opportunity to address that. Those who take a low-paid job will lose all help with their mortgage. That is why people in my constituency tell me that they cannot afford to take a job. They will get a little extra help through the tax credit, but that will not come anywhere near covering mortgage repayments of, say, £400 a month.

What about child care? The child care subsidy seems to have been structured bizarrely. It will take us right up to the reaches of higher rate taxpayers. How can it be rational for state subsidy to reduce the cost of child care for higher rate taxpayers? The state will pay up to £100 a week towards the child care costs of children being looked after by their grandparents, provided that the grandparents jump through the hoop of becoming registered child minders. That is insulting on two grounds. First, why should the state be involved in subsidising grandparents looking after their grandchildren and, secondly, why should grandparents have to show that they are any good at bringing up children? It is bizarre for the state to be involved.

One of the key issues of the working families tax credit is paying it through the pay packet, typically to the man in a couple. In 80 per cent. of family credit cases, the principal breadwinner in the couple is the man. The Government were embarrassed about that initially and conceded that there would be choice for families, but there are fundamental problems. It will be in the families in which men are not good at passing on money to their wives that the women will have difficulty exercising the choice for the money not to be paid through the pay packet. I predict that the Government will weight the dice to ensure that the system discourages people from opting for anything other than payment through the pay packet. If large numbers of mothers opt to have the money paid through the benefit system rather than the pay packet, will not the Government's fundamental argument—that the big point about the tax credit is that it is better for incentives because there is no stigma because the money goes through the pay packet—be undermined? I intervened on the Chief Secretary on that point, but he did not really respond.

If most of the money does not go through the pay packet, why bother with the administrative mess of the tax credit? We could have the extra money, the lower tapers and the child care assistance through family credit. The key difference between family credit and the tax credit is the use of the pay packet, which the Government are letting people opt out of, so what is the point?

When fraud was mentioned, the Chief Secretary was dismissive of the right hon. Member for Birkenhead (Mr. Field)—rather rudely, I thought. The right hon. Member for Birkenhead has a strong reputation for pursuing fraud in the benefit system and the tax system. The key issue is to design systems so that fraud is not an integral part of them. The American evidence on fraud is embarrassing. There was a huge fraud industry associated with the American tax credit scheme. There is every possibility that the same could happen with the British tax credit scheme. For a Treasury Minister to dismiss the issue as the rambling of a has-been is outrageous.

A thought that might be dearer to the heart of the Paymaster General, who is on the Treasury Bench, is the cost to business of administering the working families tax credit. Many small firms will have perhaps one or two employees on relatively low pay. They will have to pay out more on the working families tax credit than they hand over to the Treasury in income tax and national insurance. It has been said that they can claim the money back, but how far in advance can they do that? When will they know how much they have to pay? Wages go up and down as people join firms and others leave. How can small businesses know in advance how much tax credit they will have to pay if the amount keeps changing? Will they have to predict a month in advance to ensure that there is time for the money to come through? How will the cash flow problems of small businesses be addressed? The problem for small businesses is one of the many issues on which we have not yet had an answer. I hope that the Leader of the House will tell us when she sums up that, when the Bill is presented to the House, some of those issues will be addressed rather than brushed under the carpet.

My final point on the tax credit is the way in which it will work during periods of relationship and family breakdown. Family credit goes almost exclusively to the mother in a couple, who is typically the person with responsibility for the children. That is right. Suppose that the Government get their way and the tax credit is paid principally to the father through the pay packet. What happens when a relationship breaks down? We are not necessarily talking about marriage—although marriages also break down—but about any form of cohabiting relationship. Presumably the woman, who may have been a victim of domestic violence, has to contact the authorities to say that she is no longer living with her partner. The authorities then have to contact the employer, who tells the man that he will not be paid any tax credit that month. When he is told why, he says that he is still living with his partner. What happens then, how long will it take and what will the woman live off in the mean time?

The working families tax credit is dogma. It is American, so it sounds good, it sounds new, it sounds modern. It uses the tax system. A negative tax sounds good whereas dreadful old welfare sounds bad. There is precious little evidence to back up the suggestion that it will be any better than similar improvements to family credit would have been. Putting more money into family

credit with lower tapers and a better structure of child care would have been admirable. Why all this nonsense about paying it through the pay packet, paying it to men and putting burdens on business? It has not been thought through. I hope that the new Bill will be an improvement on what we have heard so far.

8.19 pm

Mr. Alan W. Williams (East Carmarthen and Dinefwr): I welcome the content of the Gracious Speech, including the proposed legislation on the working families tax credit. I have not looked at it in detail, but I am fully aware that it is targeted on low-paid workers and will provide up to £220 a week free of tax. That will mean a minimum of £5.50 an hour for a low-paid worker with one child and of £6.40 an hour for an adult with two children, and that will help to make work pay and to eliminate the poverty trap. I very much welcome those measures.

In the economic arena, I welcome the Bill on financial services and the markets. We know that much better regulation is needed in the City—in the stock exchange and in Lloyd's—and I am sure that the Bill will accomplish that.

The debate has been general, covering many aspects of the British and world economies. I shall direct most of my comments to the prospects for our economy over the next few years. We are all aware that a difficult year lies ahead, partly because of the high pound which we inherited but which went even higher as interest rates were increased and as sterling became a safe haven for those speculating against the euro and the Asian currencies. However, we are now recovering from those problems. Interest rates are falling and the pound has dropped 10 per cent. from its peak value back to the level that we inherited.

Global problems—in Asia, particularly Japan, in Russia and to some extent in south America—mean that the growth forecast for next year has been revised down to 1 to 1.5 per cent. We all hope that that growth will be achieved but other forecasts challenge whether it will be—we shall have to wait and see.

I am pleased that, in the thick of things next year, there will be a large reflationary package at the very time that one is needed—the £40 billion for health and education will come on stream from next April. That will involve capital expenditure, which will be a big boost for the construction industry and those who manufacture health care equipment, for example. It will also involve labour intensive employment, as more teachers, nurses and health care workers will be needed. It will inject demand into the economy at a time when manufacturing continues to face problems.

The minimum wage will also take effect from next April, and that will help hundreds of thousands of low-paid workers. The £2.95 extra in child benefit will particularly help young people with families, who are among the poorest in the community. Those measures will be socially progressive and redistributive; by giving greater spending power to poorer people, they will also help to sustain the economy.

Looking further ahead, I think that interest rates will unquestionably fall, first to 6.75 per cent. Labour Members and people outside the House—from industry and from the trade unions—are calling for further reductions.

In his comments to the TUC last September, Eddie George made it clear that the 2.5 per cent. inflation target was symmetrical—when inflation is more than 2.5 per cent., the Monetary Policy Committee must raise interest rates, but when it seems as though it will in 12 or 18 months be less than 2.5 per cent., the judgment must be to lower interest rates. The system contains an automatic stabiliser. Opposition Members have magnified the doom and gloom this evening; they have tried to talk us into deep recession. However, if what Eddie George says is true, we can look forward to interest rates reducing to 6 or even 5 per cent. by the end of next year.

As interest rates fall, there will be a boost to economic growth. I am sure that Treasury forecasts for 2000–01 are based on the underlying assumption—it cannot be spelt out, as the Chancellor may not reveal market-sensitive figures—that interest rates will fall to below 5 per cent. in one or two years, and that will stimulate growth.

Mr. David Ruffley (Bury St. Edmunds): Will the hon. Gentleman give way?

Mr. Williams: I will not, as so many Labour Members want to speak and I want to confine my remarks.

The fact that the 2.5 per cent. inflation target is symmetrical makes it much wiser than the target of the European central bank. The European economy generally is suffering. One of the dangers for the euro is that the European target is for an inflation rate of less than 2.5 per cent. There is no automatic mechanism whereby, when inflation is at 1.5 or 1 per cent., interest rates will be reduced. In Germany, for example, interest rates are holding up despite the fact that inflation is not a problem—it is virtually zero—whereas unemployment certainly is one.

I hope that, over the next few years, through the influence of Oskar Lafontaine and eventually ourselves, the European central bank will operate on the same terms as the Bank of England, so that interest rates are automatically reduced to stimulate demand when the rate of inflation falls below its 2.5 per cent.

I believe that, in three to five years, the problem will be how to control the boom. Interest rates are destined to fall to 6 or even 5 per cent., but we want Britain to be able to join the euro by the time of the next general election, so interest rates must have fallen not only to 4 or 3 per cent. but to whatever level European interest rates are in 2001.

If the Bank of England reduces interest rates too rapidly, there is a real danger of an uncontrolled boom in property and land prices. However, we have dealt with the problems that may arise in the next 12 months very well thanks to the package of public expenditure that will come into effect next April. The problem at the time of the next general election will be how to control the demand that will be injected into the economy when interest rates fall to 4 and 3 per cent.

On the euro, there is no question but that the European economy needs massive reflation and a co-ordinated expansion. On the world scene, Europe has a balance of payments surplus of $100 billion, whereas the United States carries a deficit of $200 billion—and thank goodness for that, as it is propping up the world economy. We need expansion in Europe not only to absorb Asian goods and the exports of countries that are drifting into deeper recession, but to provide employment for our people.

[Mr. Williams]

I know that the Government's policy is to encourage at European summits a strategy for jobs, growth and economic expansion. The slack exists for that and the world economy requires it. I feel that 1998–99 will be difficult but, beyond that, I am very optimistic that the Government are on track for solid growth and achievement in Britain's economy.

8.30 pm

Mr. Peter Viggers (Gosport): I hope that the hon. Member for East Carmarthen and Dinefwr (Mr. Williams) is right in his positive approach to the economy, but I take the gloomy end of expectations. No former Soviet Union country has yet got back to its gross domestic product of 1989, and their targets mean, if they are successful, that they will return to such levels in about 2002. Similarly, Indonesia, where we are the largest investor, is at a standstill and Japan's problems remain unresolved. The particular importance of all this to the United Kingdom is that we are proportionately the largest exporter among all the major countries. If other countries cannot afford to import, we will be proportionately the heaviest losers. The Chancellor of the Exchequer is not responsible for economies overseas but he is responsible for his forecasts, for sticking to one that no one else believes and, above all, for the blunder of fixing public expenditure for three years in his first Budget. He will live with that for the next two years.

I want to restrict myself to the matter in respect of which the Government probably raised the highest hopes about thinking the unthinkable: pension provision. The right hon. Member for Birkenhead (Mr. Field) was given the brief of following through the Labour party manifesto pledge to

"lay the foundations for a modern welfare state in pensions and community care."

After an unhappy 18 months, he found it necessary to leave. This is a crucial, much misunderstood sector. I have a declarable interest in that I am chairman of a pension fund. I am not a beneficiary but it gives me an interest in the subject.

The issue is urgent. A recent NatWest survey showed that a weekly income of £179 a week per person is needed to provide what was defined as "financial contentment" in retirement. A pensioner with less than £106 a week would face financial difficulties. On that basis, one in five people currently working are heading for a comfortable retirement, half are heading for financial difficulty, and a third will be entirely reliant on state benefits. If we compare the figure of £179 for a comfortable retirement with the single pension of rather more than £70 and the couple's pension of rather more than £110, plus income support if relevant—if that is paid, council tax and rent will also be paid—we are way off the level necessary for comfortable retirement.

The half of the population that is funded in pension schemes is well funded. Britain has about £850 billion in pension assets, which is equivalent to 77 per cent. of GDP, compared with a tiny 7 per cent. in France and 14 per cent. in Germany. There is a growing gap in pension provision that the Government, if they were compassionate, would deal with.

I am sure that there is a significant lack of understanding among people about pension provision, partly because it is a long way off and not something that they can really grasp and partly because the sums of money involved are very large. Take the single pension of £70 and consider how much it would cost to increase it to the amount deemed by NatWest to provide comfortable retirement: another £100 a week. To fund that, we need to apply a multiplier of about 16, so £80,000 would be required to yield the necessary £5,000 a year to make someone up from current pension provision to the amount deemed to be comfortable. The amounts are large.

What have the Government done? What could they do? I recognise that this is not the policy of either party, but I believe that it is necessary to increase the basic state pension. When the Conservative Government linked the basic state pension to prices rather than incomes, it was necessary because it was a crucial ingredient in our fight against inflation. However, the comparative diminution of the state retirement pension has gone too far and an integral part of pension planning should be to increase it.

Secondly, we must help those with the lowest incomes to enable them to provide for their own pensions. Significant amounts are involved: something like 15 per cent. of income is necessary to build up that sort of funding. The first tranche of support that an individual at the lowest level gives to his pension merely raises him to the means-tested benefit and so is completely wasted. He would get nothing back for it if his contribution did not take him comfortably above the means-tested level. Compulsion is clearly a necessary element, or there would no reason for the poorest to save for retirement.

In dealing with this conundrum and planning the way ahead, the Government are committed to

"deliver significant savings over the longer term"

from the social security budget. We have a conflict: better pensions versus significant savings—how to square the circle. I believe that it can be done. The authority that I quote, rather to my surprise, is Lady Castle, who wrote with Professor Peter Townsend a booklet entitled, "We can afford the Welfare State". The three principles that she spells out are correct. First she says:

"If we want to encourage people to move from welfare to work, we must reduce the area of means-testing, not extend it."

The right hon. Member for Birkenhead understood that, Lady Castle does and I certainly do. It is disappointing that the Government are going down the means-testing road.

Secondly, the booklet states:

"We must resurrect the state basic pension as the foundation of security in old age for everyone."

I agree. Thirdly, it states:

"It should be compulsory for everyone to contribute an adequate second pension."

I agree with that, too.

The Government have gone for the opposite route and run for cover by resorting to means-testing. That is the coward's way out and is unfair. It gives benefit to those in the greatest need, but where does it leave those who have made substantial sacrifices to provide for themselves? It erodes incentive and is socially corrosive. It is also very expensive. A universal benefit costs 2.5 per cent. of the total cost to administer but a means-tested one costs about 7 per cent.

In response to parliamentary questions, I have elicited the fact that heating allowances cost 10 per cent. of their total cost to administer. Those are very large amounts that result in substantial bureaucracy. The basic state pension can be administered for 45p a week while income support costs £5.45 a week. Those differences are so enormous that they must be taken into account with the argument of fairness.

What have the Government done so far on pensions? They have achieved one major act—the abolition of advance corporation tax relief for pension funds. That will reduce the amount available to pension funds by £3.9 billion this year and £5.4 billion next year. As an article in *The Economist* said on 6 December 1997,

"A Government keener on redistributive clobbering of the middle classes without breaking its pledge not to raise income tax rates might have dreamed up something exactly like this."

It has caused damage to pension funds and those who benefit from them.

The way that it works through means that Kensington and Chelsea has estimated that the changes to advance corporation tax provision mean that it will have to find a further £1 million a year, the equivalent of £12 on the average council tax bill for bands B to D. The Chancellor has cost pension funds over the next 10 years £50 billion. As has been pointed out, Robert Maxwell took only £400 million.

The Government promised legislation on pensions without specifying its content. They have promised a Green Paper. So far, their influence on pensions has been entirely malign and damaging. I urge the Government to do their duty to pensioners, and I urge present and future pensioners to wake up to what the Government are doing to them.

8.40 pm

Mr. Jim Cunningham (Coventry, South): To hear the hon. Member for Gosport (Mr. Viggers) talk, one would not think that a Tory Government had plundered pension funds and, in the 1980s, encouraged people to go into private pension schemes. He seems to forget that the Labour Government have reduced value added tax to help pensioners, whereas the previous Government increased VAT, thereby punishing pensioners and one-parent families. I am sure that he is well aware that the Labour Government have been considering not only pensions, and will make proposals in that respect at some time in the future, but have at least tried to do something for pensioners in the meantime.

Many pensioners find it difficult to afford their winter fuel bills, so the Government have reduced VAT on fuel and made winter payments to pensioners to help them. I remember that, when we sat on the Opposition Benches, time after time at about this time of year, many of my hon. Friends raised the question of winter chill payments. Year after year, the then Conservative Government turned down my hon. Friends' requests.

I welcome the fact that the Government have put in £250 million to help the national health service deal with winter problems. That, too, will help pensioners, as it is the elderly population in particular that suffers from the general increase in illness this time of year. Despite all the doom and gloom that we have been hearing, I welcome the £40 billion that the Government are to put into health and education over a three-year period.

The Government are doing that despite the economic position that we inherited from the previous Government. The economic measures outlined by my right hon. Friend the Chancellor will deal with long-term instabilities in the British economy, while allowing us to steer a stable course through the difficult times that we are experiencing. We are addressing the long-term economic problems that we inherited from the previous Government. I remind Opposition Members that we inherited a 20 per cent. productivity gap between the UK and France and Germany, and one of 40 per cent. between the UK and the United States of America.

Before Opposition Members rush to the barricades, I should say that I am not criticising the workers. Let me make it clear that I am not talking about the average factory worker; I am talking about low levels of investment, which mean that, no matter how hard an individual works, the lack of adequate machinery, tools and technology lowers his productivity. When we look further into the previous Government's record, we find that, when they left office, one in five households had no one working, up from one in 10 in 1979 when the Labour Government left office. We also find lower levels of basic skills in literacy and numeracy than those of other major economies.

No one would deny that we are experiencing a downturn in the world economy. The problem in 1979 was that, when the downturn occurred, the Tories refused to recognise it, preferring to blame the previous Labour Government, just as they blame the current Labour Government now. United Kingdom exports to Indonesia and Malaysia have fallen by 50 per cent.; to South Korea by 55 per cent.; and to Thailand and Philippines by 60 per cent. The crisis affects the whole world, but, to listen to Opposition Members, one would think that it started in May 1997, when the Labour Government took office.

To set the international context, the International Monetary Fund has revised its forecasts for world growth downward, from 4 to 2.5 per cent. That could fall further as the economic situation changes. World trade growth is set to fall by two thirds. Given those problems, we welcome the Government's determination to get things right and address the weaknesses in our system, which was so neglected by the previous Government.

We welcome the new monetary framework for monetary policy, with the Monetary Policy Committee setting interest rates to reach Government targets free from political control. Also welcome are the long-term targets for interest rates, which bring stability to economic planning. Although interest rates have risen, at 6.75 per cent. they are at their lowest for 30 years, and inflation is hitting its 2.5 per cent. target. I remember when, under the Tories, the public sector borrowing requirement grew to £400 billion. They managed by slashing public spending and getting the receipts from privatisation.

The public understand the need for fiscal tightening equal to 3.5 per cent. of gross domestic product over the years 1996–97 to 1999–2000. They also understand why a reduction in borrowing—by £20 billion last year—and tight control over spending are needed to ensure that spending grows at a slower rate during the lifetime of this Parliament. In less than two years, we have achieved a balanced budget, which is something that the Tories did not do in 18 years.

[Mr. Jim Cunningham]

Although I acknowledge manufacturers' short-term concerns, which are of particular concern to me, I welcome the Government's long-term view and determination to avoid boom and bust, which can affect and erode our industrial base. Instability could and would have been worse had the Government not taken the decisions that they took. As manufacturers have pointed out, the recession can be put down to the downturn in the global economy.

Despite all that, the number of jobs continues to grow: 400,000 new jobs have been created since the election; 250,000 people leave the claimant count each month; and 200,000 new vacancies are notified to job centres each month. In addition, the Government have set up rapid reduction units to deal with redundancies and provide localised help where job losses have occurred. They will be welcome in many parts of the country, providing temporary job centres and job advisers, fast-track help with benefits claims, immediate eligibility for training and travel costs for interviews. That demonstrates the benefit of having a Government with a progressive agenda, as opposed to a reactionary Conservative one, with Ministers preaching from on high about problems that they have never had to experience.

Another issue on which the Tories failed was youth unemployment, so I am delighted that the Labour Government have decided to tackle long-term, youth and single-parent unemployment head on. There are 125,000 people on the new deal, with 23,000 already having found work. In addition, the number of lone parents on benefits is falling and many young people have been given hope. We are helping the most vulnerable instead of throwing them to the wolves of uncertainty and helplessness. That will also play a part in tackling crime and disorder.

The wider reforms to the tax and benefits system announced in the Queen's Speech will be well received in many parts of the country. The reduction in national insurance, the new working families tax credit and the minimum wage will help those in greatest need. Although the economic problems that we face are international, the Government have done much to stabilise our economy while, at the same time, protecting the most vulnerable.

8.48 pm

Mr. William Thompson (West Tyrone): We have listened to many speeches tonight, some from former Ministers and hon. Members who have Treasury experience and many from those who are economics experts. If one speaker has argued one case, the next has argued the opposite—that is certainly true of the speeches referring to the single currency and economic and monetary union.

I am a Euro-sceptic. I remember our going into the Common Market, as it then was. We were told that every member state had a veto and that, if one member state disagreed with a policy, nothing would happen. Of course, after we had entered, if we disagreed we were told that we were not good partners. After some time, changes were made and majority or weighted voting was introduced. Over the years, we have seen the effect of that in the issuing of a large number of directives, many of which are neither prudent nor necessary, but over which we have had little or no control.

We have now moved towards political union. There is no doubt that many in the European Union are looking forward to political union, and the single currency is the first necessary step towards that union. If one controls the money and the finances, one has, in effect, political union. Those who are enthusiastic about political union at least now acknowledge that public opinion does not favour it. In fact, we have been told—even tonight—that there is no guarantee that political union will work. I think that it would be dangerous to enter an arrangement that has no guarantee of success without some fallback position, or even an idea of what we will do if that arrangement fails. I believe that there are many dangers inherent in the new single currency.

I have no doubt that the Government intend, sooner or later, to take us into economic and monetary union and the single currency. Efforts are being made to prepare us for entry, and no doubt the Government will seek to change public opinion in the referendum that decides our course. When preparations for entry are made, we will be told that we have gone too far and cannot turn back. I believe that the Government's policies are geared to that end. That is dangerous as it will weaken our means of determining our own policies.

I refer hon. Members to the events of the past two years and to our experiences of the beef crisis. When we consider how our European colleagues have acted, we can have no confidence that we would have much say over our affairs in the context of European political union. This Parliament would eventually become powerless.

Northern Ireland benefits greatly from being part of the United Kingdom. Our economy benefits particularly from subventions of about £3 billion or £4 billion a year. We acknowledge and appreciate that advantage. We live beside the Irish Republic, which wishes eventually to take us over. There have been many arguments in the past few months about agreements and the future of Northern Ireland, but little has been said about how we benefit from being part of the United Kingdom. We need to discuss that subject, which must be at the forefront of debates in the days and months ahead. Those who advocate a united Ireland must tell us where they will get the money to finance it.

The Northern Ireland economy is very dependent on agriculture. Some 60,000 people are employed in the agri-food industry, which represents 25 per cent. of our manufacturing base. We welcomed the early lifting of the beef ban, especially in relation to the date-based scheme. We hope that other measures will be taken soon so that more animals and more beef may be exported and our economy will no longer be affected by that great crisis that has hindered us in the past few years.

8.54 pm

Ms Diane Abbott (Hackney, North and Stoke Newington): I am grateful for the opportunity to speak in this debate on the Queen's Speech. I wish to touch upon the effects that the economic policy outlined in the Queen's Speech will have on the poorest. Hon. Members will know that I represent in Hackney, North and Stoke Newington one of the poorest constituencies in the country, which has one of the highest levels of unemployment in the south-east. I shall examine the Government's economic policy in the light of a very important report about inequalities in health that was published last week. The inquiry was chaired by Sir Donald Acheson.

Earlier this evening, we heard the Chief Secretary advance what has become the Government's mantra: the best route out of poverty is work. Like many of the Government's mantras, that is a truism—the best route out of poverty is work. However, the Government must address, because they have yet to do so with sufficient clarity, what they will do for those sections of society who, with the best will in the world, cannot enter or re-enter the labour market. Sir Donald Acheson put it clearly in his report. He said:

"For the least well-off members of society, it is the benefit system which is the principal determinant of living standards."

When I tried to put to the Chief Secretary Sir Donald Acheson's proposition that certain basic benefits must increase, he said that the report was written before the Government's Budget and our wonderful, progressive child benefit measures. That is quite wrong. Page 34 of the report discusses the Government's Budget measures in full. In the context of those measures, the report says that benefits must increase for the poorest groups. The report states:

"We believe it is important that over time benefits and pensions levels are set at a level sufficient to pay for items and services necessary for health and for participation in society."

Acheson singles out two of the very poorest groups: pensioners and women with very young children.

The Labour party once had a policy of restoring the link between pensions and earnings. It was a sad day when that policy was dropped. Means-tested benefits—which is what the Treasury Bench is offering instead—are not a viable alternative for pensioners, in particular. More than 1 million pensioners fail to claim the means-tested benefits to which they are entitled. More than one in four pensioners who are eligible to claim extra means-tested benefits do not do so. It is not because they are silly or do not understand, it is because they are from a generation that finds claiming such benefits degrading, difficult and humiliating.

The only way to raise standards of living for the poorest pensioners in communities such as Hackney is to increase the level of the basic pension. As for encouraging people of all generations to put more money into the private pensions industry, before the Government press people to secure objectives that were once secured by the welfare state—whether it is security in unemployment, health insurance or private pensions—they must look to regulating the financial services industry. The private pensions mis-selling scandals of the 1980s revealed the structural problems in the financial services area, with commission-driven salesmen and a lack of transparency.

I come now to mothers with young children. The Government seem to be saying to mothers with pre-school-age children that, if they want to raise their standard of living and rise out of poverty, they must go to work. I am a single mother. I was back here voting and playing my part in the work of the House when my son was eight days old. It is precisely because I am a single mother and I know how hard it is to leave a small baby that I would not insist that mothers with children under school age should have to go out to work to secure a decent standard of living. At present, they do not have to make themselves eligible to work, but the trend of Government rhetoric and thinking on that matter worries me.

Despite the many good things that are being done in the name of the working families tax credit—there was a very interesting speech about that earlier—the Government must address the fact that there are people, such as pensioners and women with young children, who will not lift themselves out of poverty by going into the workplace. We need to secure at least for those groups a decent standard of living through the benefit system.

The Government's professed goals on raising standards of living for the poor and lifting people out of poverty are admirable, but none of the measures in the Queen's Speech, including the working families tax credit and the on-going new deal programme, can be effective in the absence of growth. Those who talk about prospects for growth tend to be shouted down by Labour Members and accused of talking down the economy. It is not a question of talk; it is a question of figures. We do not need to look into a crystal ball—we need only to read the book.

Manufacturing sectors are in recession or are about to go into recession. Over time, the sectors that have a problem with the over-valued pound and interest rates will take the entire economy to the bottom of the recessionary cycle. In a recession, it is no good saying that work is the route out of poverty or talking about the new deal.

My next point relates to Europe. I am not hostile to Europe and I deplore the scarcely veiled xenophobia in the tabloid press, but it is important that we begin to have an honest debate about Europe. There may well be a political case for greater European integration and, in my son's lifetime, there may well be something approaching a federal Europe, but I deplore the dishonest debate on Europe in British politics.

Anybody who pretends that we can proceed towards monetary convergence and integration without fiscal convergence and integration following as night follows day is fooling the British public. There may be a political case for that level of economic integration and for moving towards a federal Europe, but it is wrong to pretend to the British public that there can be monetary convergence while different economies in the European Union have free-standing fiscal policies. That cannot happen. The sooner we have a more transparent and honest debate about what the move towards economic and monetary union means for the totality of economic policy, the better that will be for politics and the good name of this House.

There is much to support in the Queen's Speech, but my concern remains what it has been for the 10 years in which I have been in the House—how will the measures of the Government of the day help my constituents in Hackney? I am concerned about the lack of focus on the importance of raising basic benefits for pensioners and the poorest people.

I am also concerned about monetary policy. It is driven by a great man—Eddie George—but he should never have been let loose untrammelled on monetary policy. I am concerned about the deflationary tendency of monetary policy and prospects for growth. I am concerned about the lack of honesty about the big issue facing us at the end of the millennium—what economic and monetary union means and the price that ordinary people such as my constituents might have to pay if we go into EMU without sufficient thought and understanding.

9.3 pm

Mr. David Ruffley (Bury St. Edmunds): I am grateful for the chance to contribute to a debate on the Gracious Speech, which has at its core a commitment to delivering economic stability.

[Mr. David Ruffley]

One of the central elements of economic stability is the Treasury's ability to set an independent tax policy. Therefore, I was particularly interested to hear the Chief Secretary say earlier that he would be tough about using the veto to prevent any harmonised tax proposals being imposed on this country. We have heard warm words from Ministers over the past couple of days in the face of a backlash from the press and public about the threat to the country's economic management arising from remarks by EU Finance Ministers and Commission officials.

Conservative Members are staggered by Ministers' complacency. They said that such comments were just a Euro-sceptic invention and that, somehow, the people on the continent who were making them were of little significance and of no consequence.

We know that there is a threat of tax harmonisation from Brussels because the Prime Minister says one thing in No. 10 briefings to the press, but Treasury Ministers say another. In the *Financial Times* this week, the Prime Minister said that he wanted all proposals on tax harmonisation to be considered pragmatically. He is worried that we may be left out of the game as EU partners harmonise more quickly in a headlong rush to make headway in launching the European single currency.

A gentleman called Mario Monti is the EU Commissioner for the single market. I should like to expose the "Full Monty" of a set of proposals referred to as the draft code of conduct for business taxation, to which the Government signed up in October 1997. This draft code is very interesting because, as a result of discussions about it, instead of being in her place, the Financial Secretary is chairing a meeting at which no fewer than 85 tax breaks and reliefs will be abolished. At least 10 of them are enjoyed in this country. They include tax breaks for the British film industry, shipbuilding, small and medium enterprises in Northern Ireland and much else besides.

The Financial Secretary is bargaining away tax breaks, which were certainly enjoyed in this country until the election, because the Government are harmonising tax reliefs. If that is not creeping harmonisation, we on the Opposition Benches do not know what is. Creeping harmonisation is a threat. The press knows it, the public know it and the Opposition will never let Ministers forget it—up to the next election and beyond.

9.7 pm

Ms Sally Keeble (Northampton, North): I am grateful to be called in this debate.

In their amendment, the Opposition have set out to criticised the Government for failing to take steps to protect jobs and help businesses. In doing so, they are exercising selective amnesia. They cannot stand only on their six-month record in the run-up to the election. They must stand on the record of their entire 18 years in government, which was not a golden era for the British economy.

In the 1980s, an enormous recession forced the collapse of manufacturing. I saw a steel foundry in Birmingham stripped down and sent off to the third world, and virtually the entire work force of the car industry put on the dole. Unemployment rose so fast that the welfare state collapsed and all Department of Health and Social Security offices shut. It was not the then Tory Government who saved jobs or helped businesses, but a Labour city council, which met the challenge of regenerating the local economy.

In the 1990s, recession in inner London, we saw unemployment rise to 35, 40 and 50 per cent. in key areas, and the creation of a divide between rich and poor that was a disgrace to this city. Measures on unemployment introduced by the Tory Government were aimed at producing headline figures and did not deal with long-term structural problems in inner cities. That is why the new deal is so right.

The new deal targets attention—money and personnel—at the real problems: the long-term unemployed and young people who grew up as a second generation of unemployed in what we call the Tories' golden legacy. Any such legacy went to the selected few and not the many, which is why the economic measures in the Queen's Speech are so important. In conjunction with the steps that the Government have already taken, they will ensure not just stable growth but that the benefits of that growth will be extended to the many.

Our policies for education will give people the skills that they need to participate in the economy; the working families tax credit will ensure that work pays; and the child care tax credit will give many women the first chance to go out to work. In particular, I emphasise the reforms that the Government are making to financial services regulation, which will ensure that more people are empowered to benefit from the economy.

Mrs. Thatcher wanted more people to invest, but she failed to provide the security that people needed to do so with confidence. The Government are encouraging investment by the public—for example, by extending employee share ownership and introducing individual savings accounts—and providing more security by, among other things, passing the financial services and markets Bill.

Let me consider just two forthcoming measures. I am sure that the ability to take civil proceedings in cases of market abuse will help to restore confidence in the probity of the City, which, in turn, can only help to encourage people to invest. A second measure to place the various forms of financial regulation under a single umbrella will benefit the interests of the public by making it easier for them to obtain redress when things go wrong.

The biggest financial commitment that most of my constituents will ever make is the purchase of a home. In the dying days—literally—of the previous Government, I toured housing estates in my constituency to study the problem of repossession. House after house was boarded up—another sad testament to the so-called golden legacy of Tory Britain. By unifying and simplifying regulation, and by providing more safeguards for that most basic of investments, the Government will protect people's long-term financial security, and the long-term future of the financial services industry.

The drive behind the Queen's Speech is to build a sound economy; ultimately, that is what my constituents will judge the Government by. Measures set out in this year's Queen's Speech will ensure that those benefits are extended to the majority of people in our communities. I commend it to the House.

9.11 pm

Mr. Christopher Fraser (Mid-Dorset and North Poole): Tonight's debate has been rehearsed many times and we have discussed the economy many times, but this time the debate is vital, because our country's future depends on getting the economy right. The debate also affords us the opportunity to examine the Gracious Speech, and to anticipate the effects of the Government's proposals for our economy for the next year—so it is very timely.

It is important to pose a series of questions relating to the Government's handling of the economy, and specifically their guiding principles of economic management. Does the Government's approach—and the proposals in the Queen's Speech—make it easier for firms to produce goods at lower cost? Does it make it easier for companies to invest? Does it reduce the tax burden on individuals and companies? Does it make it easier and cheaper for firms to take on staff? Does it make it easier for individuals to invest in their own future?

I fear that all those questions must be answered in the negative. The raid on pension funds; the increased regulation of financial services; the flunked welfare reforms; the increased trade union recognition; the extension of maternity leave to 18 weeks; and the introduction of the working families tax credit add up to a package of damage which can only increase costs and regulation and destroy the competitiveness of the British economy—the economy that the previous Government fought so hard to maintain. All that before we even address the minimum wage and the social chapter.

I believe that most members of the Treasury team have never run a business—except, of course, the Paymaster General; at times, he must wish that he had run several fewer businesses. I have run a business: I know what it is like to run one in hard times. It has been difficult on occasions—difficult for small and medium businesses, which must now face the current economic climate. Those businesses were the backbone of the country's economic success in the 1980s.

The Government must ensure that small business is at the forefront of their economic policy. Let me tell Labour Members that the smaller companies, which represent the bulk of employment and economic activity, are voicing grave concern. As we know, business confidence is at its lowest for 18 years. People and businesses are extremely nervous—in my judgment, rightly so—because times have been tough for them. The international economy has, of course, been a factor, but they have suffered from high interest rates and the high pound and they have suffered in many other ways, as a result of the Government's so-called social legislation.

The Government tell us that the minimum wage and the social chapter are good for those who are in work. Perhaps that is right, but not if the effect of the Government's measures is to pile on costs, make the company uncompetitive, lead to closure and put workers out of a job. The minimum wage and the social chapter are useless for those who are out of work and for those who are seeking to enter employment. The policies that they need are ones that help companies grow through efficiency and by exporting successfully through deregulation and low tax. In short, these are policies that would build on the success that the economy was enjoying before Labour Members got their hands on the levers of power.

Labour has given away one of the levers—the control of interest rates—to the Bank of England. We hear this every Wednesday when the Prime Minister comes here to answer questions. The right hon. Gentleman tells the House each week that the Opposition are against independence for the Bank of England. Each week, he invites my right hon. Friend the Leader of the Opposition to answer his questions. One wonders sometimes whether the Prime Minister would prefer to be on the Opposition Benches asking questions rather than having to suffer the inconvenience of answering questions.

The point of Bank independence is not whether the Opposition are in favour or against it, but that the Government have created a mess of their own making. It was their decision to give independence to the Bank, as it was their decision to set the Bank a narrow remit. It is their choice to pack the Monetary Policy Committee with people with no real experience of the sharp end of business. A serious consequence of their actions is the current state of the economy. It is a cop-out for the Government continually to question the Conservative position on this issue. It is the Government who have to answer for their actions.

To compound the situation, the Chancellor of the Exchequer signed up to the "The New European Way", which commits the Government to the harmonisation of European Union tax policies. By doing so, the right hon. Gentleman has thrown in his hat with the new German Government, who are pledged to take forward economic harmonisation during their European presidency. Having signed that document, how can the Chancellor of the Exchequer declare himself opposed to the harmonisation that it advocates? It does not wash to declare a common system of value added tax and a withholding tax on cross-border savings as being no more than scare stories invented by the Opposition.

We are told that the Chancellor of the Exchequer will use the veto to protect British interests. As has already been said, however, the Financial Secretary to the Treasury chairs a working group of EU Finance Ministers which is drawing up plans to end so-called powerful tax competition among member states. How are we to believe the Chancellor of the Exchequer's protestations when the interim report is said to include more than 80 measures to address what has been described as unfair tax competition, and when some of which, if reports are true, are measures introduced by the Government? The Chancellor cannot have it both ways. He must now make very clear to his colleagues in Europe the promises that he has made to the British electorate that

> " tax harmonisation is not the way forward for Europe. Britain's tax decisions will be made in Britain."

The Chancellor of the Exchequer must make clear how he sees the future for personal taxes and for corporate and business taxes. After all, the European tax Commissioner believes that the United Kingdom is "fully on board."

The more economically astute Government Members are beginning to realise that soundbites and spin do not run an economy. A task force here, consultation there and a denial when expedient are no substitute for a clear tax policy and a drive for competitiveness in the British economy. Warm words are little comfort against a background of job losses and fear for the future. For so many years, when in opposition, the Chancellor of the

[Mr. Christopher Fraser]

Exchequer predicted recessions, downturns and busts. The right hon. Gentleman may now be about to fulfil his predictions through his own actions.

I have referred before to the fact that my constituency is truly the enterprise centre of Dorset. We have many businesses and a high level of employment. However, 18 months into the Labour Government, the mood of optimism in Dorset is giving way to a degree of concern and pessimism. Businesses in my constituency do not see coherence or substance in the Government's economic policies. They do not believe that the Government have enough understanding of business to create an environment that is friendly to it. The Government are leading the economy into a dark alley. The British people will pay a heavy price for the Government's folly. In turn, they will ensure that the Government pay a price for what they are doing to an economy which was, such a short time ago, the enterprise centre of Europe.

9.19 pm

Sir George Young (North-West Hampshire): It is my privilege, for the second year in succession, to wind up for the Opposition in the debate on the Queen's Speech. More than 120 hon. Members have taken part in the debate, including a Prime Minister, a former Prime Minister, a former Deputy Prime Minister, a former Chancellor and a large number of right hon. and hon. Members.

It seems a long time since the Queen's Speech left Bassetlaw and Edinburgh, Pentlands a week ago, but it got off to a cracking pace thanks to my right hon. Friend the Leader of the Opposition, whose parliamentary performances were rightly recognised by the judges of *The Spectator* parliamentarian of the year award the following day. Those of us at the ceremony witnessed the pride with which my right hon. Friend accepted that award, and the pleasure that it gave the Deputy Prime Minister to present it to him.

To be impartial, I shall congratulate the Leader of the House on her recent Variety performance in aid of charity, which attracted some colourful, if mixed, comments. One newspaper reporter, a braver man than I am, described her voice as having the potential to "stun charging bullocks" and "keep mosquitoes at bay".

I remind the right hon. Lady of some words that she used not on that occasion, but five years ago when she was shadow Leader of the House, speaking as I am now at the end of the debate on the Address. She said:

> "The Government's programme, as embodied in the Queen's Speech, was rightly described by my right hon. and learned Friend the Leader of the Opposition as thin. Tonight, after six days of debate, we know clearly why... The purpose of this Queen's Speech has been . . . to fob us off with rhetoric, sound bites and scapegoats."—[*Official Report*, 25 November 1993; Vol. 233, c. 662.]

Those words seem more appropriate tonight than when the right hon. Lady originally spoke them.

Our debate this afternoon was opened by the Chief Secretary. He took some risks by making an assertion in his speech that he was unable to substantiate. We expect him to produce chapter and verse for his assertion that my right hon. Friend the Member for Horsham (Mr. Maude) has opposed the £40 billion on health and education. If he cannot produce that substantiation, I know that, as an hon. Member, he would want to withdraw his assertion.

The Chief Secretary sounded more and more like Baroness Thatcher as he outlined with relish how he would use the veto if certain European policies developed in a certain direction. However, he did not answer all the questions posed by my right hon. Friend. Having listened to the Chancellor of the Exchequer in a rather defensive performance on the "Today" programme this morning, and having listened to the Chief Secretary this afternoon, I am not wholly reassured about the Government's policies on tax harmonisation. It is a subject to which we shall want to return on many future occasions.

The hon. Member for Gordon (Mr. Bruce) made some kind remarks about the Opposition's amendment. I hope that that means that the Liberal Democrats will vote for it. I am sorry to see hon. Members shaking their head, as the hon. Gentleman said that the Opposition amendment was spot on. It is disappointing that the Liberal Democrats will not support us in the Lobby. The hon. Member for Gordon accused the Government of drift on Europe, implying rightly that, behind the facade, there are tensions, pulling the Government in opposite directions and inducing paralysis.

The next speech in the debate, that of the right hon. Member for Ashton-under-Lyne (Mr. Sheldon), brought to light some of those tensions on the Government Benches. In a brave speech that was somewhat off-message, he made it clear that he believed that we should be in the first wave when it comes to joining the euro. He referred to some of the risks that would confront the City of London if certain measures went ahead, and he took the House with him on that. He made some eminently sensible comments about the composition of the Monetary Policy Committee.

My hon. Friend the Member for Louth and Horncastle (Sir P. Tapsell) said that we would hold the Government to the commitments that they gave today, and we will. He pointed out that we pay a price in terms of growth and employment if we delegate to the Bank an inflation target, with no other economic targets to go with it.

The hon. Member for North Durham (Mr. Radice) made a good Keynesian speech, gently chiding the Government for a lack of clarity on policy on EMU. He made a brave attack on *The Sun*—the sort of attack that an hon. Member can make only if he has a blameless personal life.

My hon. Friend the Member for Wycombe (Sir R. Whitney) reasserted that we left the economy in good shape. He rightly pointed out that the reduction of £20 billion in the public sector borrowing requirement was due to policies that the Government inherited, rather than policies that they implemented. He queried, as did a number of hon. Members, some of the more optimistic growth forecasts from the Treasury Benches.

I enjoyed the speech of the right hon. Member for Llanelli (Mr. Davies). It was a thoughtful speech that put the economy in a broader context—not just a European, but an international context. He explained economics in words that a child could understand, and his speech should be widely read.

From basic economics to advanced psychology: my right hon. Friend the Member for Fylde (Mr. Jack) was right to point out that climate, mood, confidence and the feel-good factor are important to economic success. At the moment, as he rightly pointed out, they are not

there. He also expressed the hope that the Government would maintain the momentum on streamlining the tax system, into which he invested a lot of effort.

The right hon. Member for Coatbridge and Chryston (Mr. Clarke) was one of the few speakers to focus on the less-developed countries and on the economic problems that confront them. He criticised the short-term approach, which can often harm the long-term development of those countries. He wanted to refocus globalisation to help rather than harm those countries, and he spoke with feeling and knowledge on an important issue.

My hon. Friend the Member for Esher and Walton (Mr. Taylor) described how he came face to face with President Castro—face to beard would be a better description of that encounter. My hon. Friend gave a cool assessment of the issues surrounding the launch of the euro and the terms of trade on the debate about the euro. He posed a number of questions, to which I hope that, at some point, the Government will be good enough to reply.

The hon. Member for Bolton, West (Ms Kelly) focused on the international system and made some perceptive comments about the need for reform of the international monetary system to take account of today's markets. She carried the House with her on that.

My hon. Friend the Member for Orpington (Mr. Horam) criticised the lack of vision in the Queen's Speech and outlined some retrograde steps that have been portrayed as forward looking.

The hon. Member for Stoke-on-Trent, Central (Mr. Fisher) lifted his eyes beyond the horizon of the arts world, which has preoccupied him for so long, and made a thoughtful contribution—based on a realistic assessment of the economy—focusing on electronic trading and its potential. He rightly urged the House not to forget the importance of manufacturing industry.

The hon. Member for Northavon (Mr. Webb) gave some warnings about the working families tax credit. Every Member on the Treasury Bench should read what he said, reinforcing points made by my hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith). The criticisms that he made about the working families tax credit demand a reply.

The hon. Member for East Carmarthen and Dinefwr (Mr. Williams) welcomed the reflationary impact of the expenditure on health and education, but in so doing he slightly undermined the case that the Government have made by implying that reflation will be necessary in three years, when the Chancellor has been predicting some robust growth.

My hon. Friend the Member for Gosport (Mr. Viggers) described the impact of the world downturn on our economy and exports, and then spoke about the impact of the economy on pensions. He was the only hon. Member to focus specifically on pensions. He identified the Government's failure to answer a number of pension questions, after some false starts, and some possible solutions, quoting Baroness Castle as an ally.

The hon. Member for West Tyrone (Mr. Thompson) made a robust, Euro-sceptic speech. The hon. Member for Hackney, North and Stoke Newington (Ms Abbott) picked up on the Acheson report and focused on those who cannot work. She invited the Government to come up with a more credible strategy for those for whom work is not an option. It was one of the most supportive speeches that I have heard the hon. Lady make in the House. For that reason, it was a slight disappointment to have to listen to it.

My hon. Friend the Member for Bury St. Edmunds (Mr. Ruffley) talked about tax harmonisation and rightly pointed out that a number of issues have not been resolved. Even as the debate is taking place, there are threats to the United Kingdom film and shipbuilding industries, to which we shall want to return.

I commend the hon. Member for Northampton, North (Ms Keeble) for her patience in sitting all the way through the debate. I listened to what she said about the inner city, drawing on her time as leader of Southwark council. I remember working with her on regenerating some of the difficult estates in Peckham and Camberwell, and I hope that she exempted from her critical remarks the work of the Department of the Environment in the mid-1990s.

My hon. Friend the Member for Mid–Dorset and North Poole (Mr. Fraser) focused on the supply side of the economy and rightly reminded us of the need to make sure that our industry remains competitive by looking at supply side measures.

Re-reading the Queen's Speech last night, and looking out for rhetoric and soundbites, I noticed that the word "modernise" appeared 12 times—10 times in the first two pages. It appeared 11 times in a much shorter article on the Queen's Speech written by the Prime Minister for this week's issue of *The House Magazine*.

That has been the spin—the Chief Secretary referred to that in his opening remarks—but what does it mean? When one considers the measures in the Queen's Speech, I do not think that it means a lot. Forcing GPs into a new relationship about which many of them are unhappy is, apparently, to

"continue to build a modern National Health Service".

Taking cash away from some potential claimants on modest incomes is "to modernise legal aid". Saving £500 million from women whose husbands die young is "modernising benefits for widows". Removing incentives from the town hall to improve efficiency and quality of service is

"to modernise local government in England and Wales".

Even this Government, however, are unable to describe their proposals for London, involving the appointment of a mayor—a post that dates back several hundred years—as "modernising", using instead the word "new". That shows the absurdity of trying to brand a speech or programme by applying one adjective to it: the verbal elastic simply snaps. Once we take off the label and look at the contents, we see that the Queen's Speech lacks coherence, shape and momentum—a point well made in *The Times* yesterday by Peter Riddell.

That leads me to my second point. Spending two or three days in my constituency in the middle of a six-day debate on the Queen's Speech demonstrated to me the difference between two worlds: the modernised world of the Queen's Speech, elegantly spun and crafted by wordsmiths—although, sadly, someone overlooked the need to equip the Prime Minister with the decent speech to which he was entitled—and the real world in which we and our constituents lead our daily lives.

In Labour's world, local government will be more efficient and more responsive. In the real world—given tomorrow's revenue support grant statement—all that the

[Sir George Young]

public in my constituency and, I suspect, elsewhere will get will be higher council taxes and more pressure on social services, aggravated by the need to make good the shortfall in pension funds caused by the raid in last year's Budget. Without a full local government Bill, the grand strategy for democratic renewal that the Deputy Prime Minister has been trumpeting will have to wait another year.

In Labour's world, on the very day of the Queen's Speech, the Deputy Prime Minister dreamt of bringing back the dawn chorus and the linnet. The Queen's Speech refers to protecting the environment, but, in the real world, the Deputy Prime Minister overrules county councils and makes them develop green-field sites that they do not want to develop. Hampshire county council's structure plan faces the threat of being overruled by the Government; in West Sussex, that has already happened.

In London—Labour's capital—the Government have promised

"a range of powers to help make London a world class city".

Some of us would assert that London was a world-class city long before the people's party arrived on the scene, but, apparently, it is not yet resilient enough to be entrusted to the hon. Member for Brent, East (Mr. Livingstone). I must tell the Deputy Prime Minister that, until he implements a policy that will secure resources for London Transport, his strategy will lack credibility. We have heard some tough talk from the Government about improving rail services, but if the Deputy Prime Minister cannot make his Bills run on time, what chance has he of making the trains run on time?

In Labour's world, we are promised "strong arrangements for defence". In the real world, the defence budget has been cut—at a time of growing international uncertainty—and the Territorial Army has been savaged, in the teeth of opposition from the Defence Select Committee. In Labour's world, the wait for operations becomes shorter—if we believe Government figures—but, in the real world, my constituents must wait before even getting on to the waiting list. It has been necessary to wait 37 weeks for an out-patient appointment for treatment for varicose veins, and 31 weeks for endocrinology treatment at North Hampshire Hospitals NHS trust. I do not claim that those are life-threatening illnesses, but the figures show how misleading it is to refer to waiting times for operations when they are only part of the total waiting time.

In Labour's world, GPs will be enfranchised and put in charge of primary care groups. In the real world, doctors fear that they will be short-changed by the reforms, distracted from their professional commitments and turned into reluctant accountants and administrators.

Ms Keeble: Will the right hon. Gentleman give way?

Sir George Young: I will give way once; then I must make progress.

Ms Keeble: Will the right hon. Gentleman accept my account of what is happening in the real world in my constituency, where GPs piloted GP commissioning? That has produced, for example, emergency pelvic scanning for women, which has probably saved lives and has certainly prevented serious conditions. Does the right hon. Gentleman accept that GP commissioning is a powerful tool?

Sir George Young: In Andover in my constituency, there was a pilot for primary care groups—a pilot for stage 4—but, having talked to GPs locally, I know that there is concern that they will not receive Government back-up for the administrative support that they need, and they will be distracted from their primary job of looking after patients.

In Labour's world of industry, the Government talk of partnership. When she was Secretary of State for Trade and Industry, the Leader of the House of Commons said that the proposals for union recognition were a new culture of partnership, but, in the real world, we have compulsion. On the economy, the subject of today's debate, the Queen's Speech talks about

"high and stable levels of economic growth and employment . . . and greater job opportunities",

but, in the real world, Rover has announced 2,500 job losses and people are losing jobs throughout the country—one job is being lost every 10 minutes. Last Friday, 4,200 jobs went in a single day, as firms grappled with the consequences of a high pound and high interest rates. Today, it was announced that another 1,000 jobs are to be lost at Courtaulds.

In Labour's world of education, teachers will be retrained and class sizes reduced, but, in the real world, the Government's pledge to cut class sizes for five to seven-years-olds is having an adverse effect. Class sizes for seven to 11-year-olds are shooting up. Teachers' independence and flexibility is being eroded and their hands are being tied. Successful grammar schools are threatened. In time, people will form their own conclusions as to whether Labour's world corresponds to the real world.

It is usual for the Leader of the House and the shadow leader to say a word about House of Commons matters. The House will know that the Modernisation Committee has been meeting, usually twice a week, grappling with matters of reform. We will be as constructive as we can, but we need to remember that our duties to hold the Government to account, to scrutinise legislation and to represent our constituents should come first, and that some personal inconvenience may be inevitable if that job is to be done properly.

To produce a manageable programme—not least to make way for House of Lords reform—many Bills have been ditched. That proposal will weaken, rather than improve, the scrutiny of legislation and the second Chamber's independence will be reduced.

The decision to abolish the voting rights of hereditary peers is the political equivalent of some French or German emperor who is poised to conquer Europe suddenly deciding to invade Russia. It is not just a diversion from the main objective; it will prejudice its attainment. The Government will get deeper and deeper into strange territory. They will run out of food and ammunition. Winter will close in and take its toll.

I can see only one benefit in rushing to abolish the hereditary peers. It might improve the chances of this House winning the annual tug of war once the upper House loses its fit, well-nourished and virile younger peers.

To compensate for the dearth of new measures in the Queen's Speech, the Government have reannounced some old ones; we are all familiar with the Government's habit of making the same announcements again and again. I understand that they have set a new target for next year: to save scarce resources, 60 per cent. of all new announcements will use recycled money.

In this great debate, what about the Liberal Democrats? It is an interesting phenomenon that, the higher the number of Liberal Democrat Members, the lower their enthusiasm to remain an independent party. If that paradox continued to its logical conclusion and they ever became the largest party, they would immediately apply to join a smaller one.

If I were a Liberal Democrat Member, I would be worried by the latest opinion poll. It shows not only that the Liberal Democrats are losing ground to the Conservatives, but that their leader's status is improving. I invite Liberal Democrat Members to reflect on that for a moment because, if that trends continues, he may be a popular general, but he will not have any troops.

The only real opposition to the Government is the Conservative Opposition. The Liberal Democrats do not oppose the Government; they urge them to go faster, to tax more, to spend more, to regulate and to intervene more.

During the Session, we will explain to our constituents the difference between the world of the spin merchants and the real world. We will explain that the measures in the Queen's Speech do not address the problems of the real world, ignore the priorities of Britain's people and instead pursue the Labour party's narrow, sectional interests.

We shall hold the Government to account. We shall do so, first, in Parliament—an institution that the Government seek to marginalise and sideline and that we Conservatives shall continue to defend. Having won the arguments in the House, we shall carry the arguments to a wider public, and bring about the ultimate defeat of this opportunistic and unprincipled Administration.

9.40 pm

The President of the Council and Leader of the House of Commons (Mrs. Margaret Beckett): The Gracious Speech—the second one of this Labour Administration—provides us with the opportunity of looking ahead to the coming year from the vantage point of 18 months of solid achievement. Although few could deny that achievement, many Opposition Members have tried to do so in this debate. Class sizes for five, six and seven-year-olds are coming down so sharply that we hope to fulfil our pledge on class sizes ahead of time. Hospital waiting lists have been falling monthly. Action is being taken to bring young offenders more speedily before the courts, and the new deal is in place and contributing to increased employment.

Mr. Simon Burns (West Chelmsford): Will the right hon. Lady give way?

Mrs. Beckett: No.

Over 50 pieces of legislation have been enacted, including legislation on modernisation of our constitution and the historic step of setting the first-ever national minimum wage. That action is important on its own, but it is not on its own. It stands in the context of proposals made by my right hon. Friend the Chancellor of the Exchequer for a working families tax credit, for a disabled persons tax credit and for the largest-ever increase in child benefit.

Before the general election, our widespread consultations with the business community produced some key concerns: economic stability; ending boom and bust; and, hence, a stable and consistent approach to economic policy. Placing control of interest rates in the hands of the Bank of England—which the Opposition threaten to reverse—was only the first of more widespread measures that contribute to sound management and good government.

Mr. Ruffley: Will the right hon. Lady give way?

Mrs. Beckett: If the hon. Gentleman will forgive me, I have much to say and not much time. I shall give way later, if I can.

Using the public spending programme that we inherited gave us time to assess across government how public funds can best be used to pursue the people's priorities. Our decision was massively to increase investment in education and in health—£40 billion in total in those services over the next three years. That decision, our investment in transport and our decision to make the largest-ever investment in science policy rightly commanded both headlines and public attention.

As significant in the long term will be our action on reforming the management of public spending, setting a firm programme over three years so that Departments and agencies have more freedom sensibly to manage their money in those years, and our decision to ensure that investment of public money is matched by a commitment to both modernisation and reform. Our most difficult, but most crucial, decision was to establish a process whereby we judge the worth of the investment of public money on the outcome—on performance, and on what is delivered—rather than on the amount of money provided initially. All those actions are fundamental and long-overdue changes to the way in which we approach the management of public funds and the uses to which they are put.

The investment itself is made possible by sound economic management. Repayment last year of £20 billion of debt that we inherited from the Conservative Government, the firm grip that we have taken on inflation and—despite recent difficulties around the world—continued employment growth are all clear signs of a Government who know where they are going and how they intend to get there.

Mr. Ruffley: Will the right hon. Lady explain why the European Commission is predicting that, next year, UK economic growth will put us at the bottom of the European Union growth league?

Mrs. Beckett: The average of forecasts of the economy—of 44 independent forecasters—ties in with the forecasts made by my right hon. Friend the Chancellor.

Mr. Ruffley: That does not answer the question.

Mrs. Beckett: Yes, it does. I assume that the hon. Gentleman, who presumes to be economically literate,

[Mrs. Beckett]

realises that we are at a different stage in the economic cycle from the rest of Europe, as we were under the previous Government.

Mr. Bercow: Will the right hon. Lady give way?

Mrs. Beckett: No; I must get on.

As we lay the basis for economic prosperity, we take action to ensure that that prosperity and the opportunity that it brings are fairly shared—not because doing so is right in itself, although it is, but because it is in the interests of all. Britain can no longer afford for our people to be ill-trained and under-equipped. We can no longer afford a damaging and deteriorating transport infrastructure. We can no longer afford merely to wring our hands over the numbers of discoveries made in Britain but turned to economic advantage across the world by the economies of our competitors. To this Government has fallen the herculean task of changing those, Britain's historic weaknesses. Just as our management of the economy and public finances sets a long-term context in this Parliament and beyond, so too does our approach to legislation.

The proposals for constitutional reform in last year's and this year's Queen's Speech create a new democratic settlement in the United Kingdom. In our approach to health service reform, we seek a new and enduring direction for the delivery of health care, just as we seek to create a fresh balance—a fairer balance—that will contribute to improving Britain's competitiveness by our proposals for fairness in the workplace. In all those areas, we seek a fresh settlement which we hope will endure for years.

Last year, my right hon. Friend the Parliamentary Secretary to the Treasury, my predecessor in this post, brought to the House proposals to improve the way in which we work. I hope to take that process forward.

This coming year, we will publish more Bills in draft. We will submit more of those draft Bills to various methods of pre-legislative scrutiny. Pension sharing on divorce has already been examined by the Social Security Committee. Both Houses of Parliament will be asked to appoint a joint committee to examine the financial services and markets Bill and we hope that, next year, the Administration Committee will have an opportunity to report on our draft freedom of information Bill. The asylum and immigration Bill will go to a Special Standing Committee, allowing the taking of evidence.

From the start of this Session, every Government Bill will be accompanied by a statement as to whether it is compatible with the European convention on human rights and all Bills will be accompanied by new-style and better explanatory notes.

The House has also recently agreed to improve the scrutiny of European Union legislation and we will certainly seek agreement to bring into effect another procedure recently agreed—to start one or two Bills in the Commons late this Session and carry them over into the third Session to allow proper scrutiny.

Mr. Bercow: I am grateful to the Leader of the House for giving way. In disowning tax harmonisation this afternoon, should not the Chief Secretary also have disowned its euphemism, tax co-ordination, which, regrettably, has been enthusiastically supported by the German Finance Minister, Oskar Lafontaine?

Mrs. Beckett: As Mr. Lafontaine said this evening, he was speaking personally. He certainly was not speaking for the Government, as my right hon. Friend the Chief Secretary made crystal clear earlier. Mr. Lafontaine did not even claim to speak for the German Government, let alone ours.

My right hon. Friend the Prime Minister set the scene for the debates on the Queen's Speech, drawing on our commitment to modernise and reform to meet the priorities that we set ourselves and the people endorsed in the last general election. He set out how this year's Queen's Speech takes forward that programme. He drew attention to the strides already made on our first priority—education—the four pieces of legislation passed last Session, the additional £19 billion of expenditure allocated to our schools over the next three years and the series of programmes that those resources make possible that will allow us to pursue our aim that every child in every school in every part of the country will get a decent education. We shall continue to make proposals such as the Green Paper which will be shortly published on the teaching profession—a further building block in providing an improved education service.

Alongside our programme to improve standards in education is our drive to develop and strengthen our health service, not merely to care for those who fall sick, but to tackle the problems that create or foster ill health. We will invest in our health service some £21 billion over the next three years, with the biggest hospital-building programme in the history of the health service—certainly one far larger than the Liberal Democrats promised at the general election or since. Most important of all, and key to the Queen's Speech, we will be able to ensure that the money that is made available goes into patient care rather than bureaucracy.

I was astonished to hear the Leader of the Opposition say that our NHS Bill would increase bureaucracy. No British Government have ever weighed down the health service with bureaucracy as the Conservatives did. We will reverse that trend.

Cross-departmental working should deliver care geared to people's needs rather than to the boundaries of health or social care. *[Interruption.]*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. There are far too many private conversations going on in the House. The House must settle down.

Mrs. Beckett: We shall promote an approach to clinical excellence and high standards of health care that builds on the best of the well-deserved reputation of our NHS.

In the week of the publication of the Acheson report, commissioned by this Government, which highlights the widening divide created by the Conservatives between the quality of life of the less-well-off and that of the wealthiest in our society, it is appropriate that we debated the health service and welfare reform on the same day. As my right hon. Friend the Secretary of State for Social Security pointed out, the anticipated rate of increase in social security spending in this Parliament is half that

of the previous Parliament. In part, that is a consequence of growing employment and the Government's policies of getting people into work, but it is also a consequence of our gradual reforms to provide work for those who can and real security for those who cannot.

Crucially, we shall make work pay. I am astonished—I suspect that it will become a source of grief to the Conservatives—that their social security spokesman and their leader have committed them to rejecting the working families tax credit and with it, presumably, the disabled persons tax credit. The single gateway to the benefit system should create a better, more meaningful service for those who need support. It is 50 years since the Beveridge proposals were drawn up—years during which patterns of work—

Mr. Jack: On a point of order, Mr. Deputy Speaker. In his response to the debate, my right hon. Friend the Member for North-West Hampshire (Sir G. Young) followed the precedents and courtesies of the House in picking up on the contributions made by individual right hon. and hon. Members. The Leader of the House has not mentioned any contribution by any right hon. or hon. Member. Is she in order?

Mr. Deputy Speaker: The debate on the Queen's Speech has gone on over many days. The right hon. Lady is allowed to answer the debate as she sees fit. She has been in perfect order. Had she been otherwise, I should have said so.

Mrs. Beckett: I recall the right hon. Gentleman's contribution. I thought that I was doing him a favour by not drawing attention to it.

It is 50 years since the Beveridge proposals were drawn up—years during which patterns of work and family life have been transformed out of recognition, yet the benefit system still assumes a single breadwinner working for the same employer for more than 40 years without sustained interruption or ill health. A fundamental reassessment of that structure is long overdue. The improvements that we have already announced are welcome.

Tough measures were introduced during the previous Session to combat crime. That process will continue with the strengthening of the youth courts and the modernisation of many of our justice procedures. Little has been said about that during the debate on the Loyal Address, because the Opposition chose, bizarrely, not to debate home affairs in general, but to concentrate all their attention on the constitutional outrage that they detect in the Government's determination to take the Conservative party at its word and abolish the hereditary principle in the House of Lords. I do not want to be unfair to the Conservative party. I recognise that the word in question was not given by this generation of politicians. Politically, if not personally—at least not in this House—it was their fathers and grandfathers who, 87 years ago, accepted on behalf of the Conservative party—*[Interruption.]*

Mr. Deputy Speaker: Order. I am sorry to interrupt the right hon. Lady once again, but the House must come to order and allow her to respond to the debate.

Mrs. Beckett: I suspect that the Conservative party does not want to hear anything further about reform of the House of Lords.

As I was saying, 87 years ago, Conservative Members' fathers and grandfathers politically accepted that the retention of power in a legislature dominated by hereditary peers could no longer be defended by the Conservative party.

Conservative Members gave way on the principle then, but in the 87 years since, they have not lifted a finger to advance it. They have considered with great care all the proposals put forward by other Governments, but they have never managed to find one that suits them better. That is the nub of the matter—to have the second Chamber of our legislature permanently in the hands of their party with a 3:1 majority suits them right down to the ground.

It has been evident throughout the debate—it is evident now in the behaviour of Conservative Members—that the Conservative party feels that it has the right to rule, irrespective of the will of the people. In the other place, of course, that is exactly what it does—it rules irrespective of the will of the people with a 3:1 majority over the Labour party. It would continue to have a majority in the other place even if we abolished the voting right of every hereditary peer tomorrow. That is what Conservative Members call independence—people who agree with them.

Today, the debate has focused on economic issues. I would say that we had focused on them afresh were it not for the fact that everything that Conservative Members said was boringly familiar. They pretend that the Government inherited an economy without problems and that all the problems that we do face are a result of the personal doings of the Chancellor or the Prime Minister.

That is, of course, the world in which they would prefer to live; sadly for them, it bears little relation to the world in which we actually live—a world in which they doubled public debt and ignored the dangers of increasing inflation to avoid electoral unpopularity by raising interest rates.

Mr. Maude: Where are the Chancellor and the Prime Minister?

Mrs. Beckett: The shadow Chancellor, who is heckling from the Front Bench, knows perfectly well that the Chancellor is attending an Economic and Financial Council meeting in Brussels. The shadow Chancellor rejected our offer to have this debate yesterday so that the Chancellor could be here, so I want to hear no more from him.

Since the Labour party came to power, public debt has been massively repaid and our sound programme for investment in much-needed public services has been announced. We have cut corporation taxes and done much else to strengthen the country's productive potential. Inflation is under control and long-term interest rates are at their lowest level for 35 years.

We have taken on the problems that our predecessors shirked and set the economy on the right course for the long term. That has been a consistent theme of all our work, from the Prime Minster's decision to secure a fresh settlement in Northern Ireland all the way through to the economic and social programme that we are pursuing.

There has also been a consistent pattern in the Opposition's behaviour. Sadly, it has been one of snap judgments and misjudgments. They oppose our programme for investment in health and education.

[Mrs. Beckett]

The shadow Chancellor challenged us to say when he had called that investment reckless. On Friday 24 July, the Conservative party issued a press release in which he said:

"The Chancellor announced last week he is to embark on a reckless spending spree".

Those are the shadow Chancellor's words, issued by his party office.

The Conservatives have opposed the investment that we propose to make, they oppose the national minimum wage and they oppose the working families tax credit. They are against everything that the Government have proposed—the new deal, health service and welfare reforms and reform of the other place.

The Gracious Speech is work in progress in this Parliament. It outlines work to deliver on the priorities of the people at the general election, today and in the future. Those were the Government's priorities then and they our priorities now; that is our programme and the programme of the Gracious Speech.

Question put, That the amendment be made:—

The House divided: Ayes 134, Noes 373.

Division No. 2] **[10 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Goodlad, Rt Hon Sir Alastair
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heath, Rt Hon Sir Edward
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Mates, Michael
Maude, Rt Hon Francis
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Page, Richard
Paice, James
Paisley, Rev Ian
Paterson, Owen
Pickles, Eric
Prior, David
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ross, William *(E Lond'y)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shepherd, Richard
Smyth, Rev Martin *(Belfast S)*
Soames, Nicholas
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Thompson, William
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Wardle, Charles
Waterson, Nigel
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Sir David Madel and
Mrs. Caroline Spelman.

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Baker, Norman
Ballard, Jackie
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Beith, Rt Hon A J
Bell, Martin *(Tatton)*
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm *(Gordon)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnett, John
Burstow, Paul
Byers, Rt Hon Stephen
Cable, Dr Vincent
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Canavan, Dennis
Caplin, Ivor
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chidgey, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Connarty, Michael
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Cranston, Ross
Crausby, David
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Dafis, Cynog
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith

Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Dean, Mrs Janet
Denham, John
Dewar, Rt Hon Donald
Dismore, Andrew
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Eagle, Angela *(Wallasey)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Ewing, Mrs Margaret
Fatchett, Derek
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Hanson, David
Harman, Rt Hon Ms Harriet
Harris, Dr Evan
Harvey, Nick
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jones, Nigel *(Cheltenham)*
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Keetch, Paul
Kemp, Fraser
Kennedy, Charles *(Ross Skye)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Livingstone, Ken
Livsey, Richard
Llwyd, Elfyn
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
McDonnell, John
McFall, John
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McLeish, Henry
McNulty, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moore, Michael
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Murphy, Denis *(Wansbeck)*
Norris, Dan
Oaten, Mark
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Öpik, Lembit
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Rammell, Bill
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Rendel, David
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Russell, Bob *(Colchester)*
Salmond, Alex
Salter, Martin
Sanders, Adrian
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Taylor, Matthew *(Truro)*
Temple–Morris, Peter
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Tonge, Dr Jenny
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Tyler, Paul
Wallace, James
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
Welsh, Andrew
White, Brian
Wigley, Rt Hon Dafydd
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wyatt, Derek

Tellers for the Noes:
Mr. Mike Hall and
Mrs. Anne McGuire.

Question accordingly negatived.

Amendment proposed, at the end of the Question, to add,

But humbly regret, while supporting some proposals in the Gracious Speech, such as those which address the issues of ending the voting rights of hereditary peers and improving the administration of the tax and national insurance system, the absence

of key measures in the Gracious Speech to modernise the United Kingdom, including a comprehensive package of environmental policies to tackle pollution, reduce car journeys and switch travel to public transport, a second tier pension scheme, a judicial process to replace the Child Support Agency and the introduction of a parliamentary committee to scrutinise arms exports; believe that additional measures to improve public health, reduce class sizes, abolish tuition fees, widen the provision of early years education and to tackle age discrimination and other forms of inequality should have been brought forward; call for urgent measures to pave the way for Britain's membership of a successful single currency and to grant proper financial independence and a fair and proportional voting system to local government; further regret any delays in introducing a Food Standards Agency; deprecate the absence of rapid progress on measures to ensure a wide-ranging Freedom of Information Act, to pave the way for a referendum on a fair voting system for the House of Commons and to deliver a fully reformed and predominantly elected Second Chamber; and support all possible early steps to speed the passage of the European Parliamentary Elections Bill in order to allow the 1999 European parliamentary elections to be held under a fairer, proportional, voting system.—[*Mr. Beith.*]

Question put forthwith, pursuant to Standing Order No. 33 (Calling of amendments at end of debate), That the amendment be made:—

The House divided: Ayes 51, Noes 317.

Division No. 3] **[10.15 pm**

AYES

Allan, Richard
Baker, Norman
Ballard, Jackie
Beith, Rt Hon A J
Bell, Martin *(Tatton)*
Brake, Tom
Brand, Dr Peter
Breed, Colin
Bruce, Malcolm *(Gordon)*
Burnett, John
Burstow, Paul
Cable, Dr Vincent
Campbell, Menzies *(NE Fife)*
Chidgey, David
Cotter, Brian
Dafis, Cynog
Davey, Edward *(Kingston)*
Ewing, Mrs Margaret
Fearn, Ronnie
Foster, Don *(Bath)*
George, Andrew *(St Ives)*
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Heath, David *(Somerton & Frome)*
Hughes, Simon *(Southwark N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, Charles *(Ross Skye)*
Kirkwood, Archy
Livsey, Richard
Llwyd, Elfyn
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Oaten, Mark
Öpik, Lembit
Rendel, David
Russell, Bob *(Colchester)*
Salmond, Alex
Sanders, Adrian
Smith, Sir Robert *(W Ab'd'rns)*
Swinney, John
Taylor, Matthew *(Truro)*
Tonge, Dr Jenny
Tyler, Paul
Wallace, James
Webb, Steve
Welsh, Andrew
Wigley, Rt Hon Dafydd
Willis, Phil

Tellers for the Ayes:
Mr. Andrew Stunell and
Mr. Donald Gorrie.

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Byers, Rt Hon Stephen
Cabom, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Canavan, Dennis
Caplin, Ivor
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Connarty, Michael
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cranston, Ross
Crausby, David
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Dean, Mrs Janet
Denham, John
Dewar, Rt Hon Donald
Dismore, Andrew
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Eagle, Angela *(Wallasey)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Fatchett, Derek
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Killoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kingham, Ms Tess
Kumar, Dr Ashok
Ladyman, Dr Stephen
Laxton, Bob

Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Livingstone, Ken
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
McDonnell, John
McFall, John
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McLeish, Henry
McNulty, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall-Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Michael, Alun
Michie, Bill *(Sheffd Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Murphy, Denis *(Wansbeck)*
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Rammell, Bill
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
White, Brian
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wyatt, Derek

Tellers for the Noes:
Mrs. Anne McGuire and Mr. Mike Hall.

Question accordingly negatived.
Main Question put:—
The House divided: Ayes 317, Noes 168.

Division No. 4] **[10.28 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bell, Martin *(Tatton)*
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Byers, Rt Hon Stephen
Cabom, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Canavan, Dennis
Caplin, Ivor
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Connarty, Michael
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cranston, Ross
Crausby, David
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dean, Mrs Janet
Denham, John
Dewar, Rt Hon Donald
Dismore, Andrew
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Eagle, Angela *(Wallasey)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Fatchett, Derek
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hoon, Geoffrey
Hope, Phil

Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kingham, Ms Tess
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Livingstone, Ken
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
McDonnell, John
McFall, John
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McLeish, Henry
McNulty, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall-Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Michael, Alun
Michie, Bill *(Sheff'd Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Murphy, Denis *(Wansbeck)*
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Rammell, Bill
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
White, Brian
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wyatt, Derek

Tellers for the Ayes:
Mrs. Anne McGuire and Mr. Mike Hall.

NOES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Baker, Norman
Ballard, Jackie
Beith, Rt Hon A J
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brake, Tom
Brand, Dr Peter
Brazier, Julian
Breed, Colin
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burnett, John
Burns, Simon
Burstow, Paul
Butterfill, John
Campbell, Menzies *(NE Fife)*
Cash, William
Chidgey, David
Chope, Christopher
Clappison, James
Clarke, Rt Hon [illegible] *(Rushcliffe)*
Clifton-Brown, [illegible]frey
Collins, Tim
Cormack, Sir Patrick
Cotter, Brian
Cran, James
Curry, Rt Hon David
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fallon, Michael
Fearn, Ronnie
Flight, Howard
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fraser, Christopher
Gale, Roger
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Green, Damian
Greenway, John
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Hawkins, Nick
Hayes, John
Heald, Oliver
Heath, David *(Somerton & Frome)*
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, Rt Hon Michael
Jenkin, Bernard
Keetch, Paul
Kennedy, Charles *(Ross Skye)*
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Mates, Michael
Maude, Rt Hon Francis
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Oaten, Mark
Öpik, Lembit
Page, Richard
Paice, James
Paisley, Rev Ian

Paterson, Owen
Pickles, Eric
Prior, David
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Sayeed, Jonathan
Shephard, Richard
Smith, Sir Robert *(W Ab'd'ns)*
Soames, Nicholas
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Tonge, Dr Jenny
Tredinnick, David
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Wallace, James
Wardle, Charles
Waterson, Nigel
Webb, Steve
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willis, Phil
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mrs. Caroline Spelman and Sir David Madel.

Question accordingly agreed to.

Resolved,

That an humble Address be presented to Her Majesty, as follows:

Most Gracious Sovereign,

We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Northern Ireland, in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.

EUROPEAN COMMUNITY DOCUMENTS

Mr. Deputy Speaker (Mr. Michael J. Martin): With permission, I shall put together the motions relating to European Community documents.

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Standing Committees),

AGRIMONETARY ARRANGEMENTS

That this House takes note of European Community Document No. 9597/98, two draft Council Regulations establishing agrimonetary arrangements and the transitional arrangements to be applied under the Common Agricultural Policy with a view to the introduction of the euro; and supports the Government's intention to support the proposals which simplify the current agrimonetary arrangements by moving to a system which more closely reflects market realities, reducing the costs to taxpayers, consumers and businesses, and also the scope for distortions of competition whilst respecting UK international obligations without discriminating against those Member States not participating in the euro.

EC DEVELOPMENT AID (SOUTH AFRICA)

That this House takes note of European Community Document No. 9690/98, the European Court of Auditors Special Report No. 7/98 on the European Development Aid Programme for South Africa (1986–1996) and its recommendations to the Commission; and supports the Government's position that these recommendations are practical and sensible and that the Government will work with Member States and other partners in all European Community development assistance programmes, and particularly in detailed arrangements to succeed the present EPRD in South Africa, after 1999, to ensure that these recommendations are fully implemented.—*[Mr. Pope.]*

Question agreed to.

PETITIONS

Bus Service (York)

10.40 pm

Miss Anne McIntosh (Vale of York): With permission, I shall present a petition from the residents of Wheatfield lane in the city of York area of the Vale of York. The petition has 200 signatures—petitioners who are residents of Wheatfield lane and who are deeply concerned by the withdrawal of the local bus service operated by First York for a number of years. They are especially concerned that the service is not fitting in with the Government's promise to improve public transport.

It gives me great pleasure to present the petition of the residents to the House of Commons. The petition states:

The Petition of the residents of Wheatfield Lane,

Declares that we are concerned at the decision to alter the Wigginton, Haxby, York bus service so that it no longer serves Wheatfield Lane, thus inconveniencing many residents, the elderly in particular.

The Petitioners therefore request that the House of Commons urge the Secretary of State for the Environment, Transport and the Regions to require increased services and better standards from bus operators.

All the petitioners remain faithfully yours.

To lie upon the Table.

Bootlegging

10.41 pm

Mrs. Jacqui Lait (Beckenham): On the day that tobacco duties rise and we look forward to an increase in duty on alcohol—which will reduce revenues to the Treasury, undermine the rule of law and subvert the health policies of reducing the consumption of tobacco and of alcohol—it is a great honour to present to the House of Commons the petition of 1,000 signatures from Independent Retail News, store owners and customers. The petition reads:

Declares that the bootlegging of hand-rolling tobacco, cigarettes and alcohol has reached crisis levels.

Honest shop owners are being driven out of business by bootleggers, who are also robbing the Exchequer of £1 billion per year.

The Petitioners therefore request that the House of Commons should urge the Chancellor of the Exchequer to work with HM Customs and Excise in taking further measures to ensure the relevant legislation prohibiting this illegal trade is vigorously enforced.

And the petitioners remain, etc.

To lie upon the Table.

Gas Supply (Consumer Protection)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Pope.]*

10.42 pm

Mr. Ken Purchase (Wolverhampton, North-East): I am pleased to have the opportunity to bring to the attention of the House what I believe to be a denial of justice for my constituent—Mr. Neil Bailey, from the Wednesfield area of my constituency—by an arm of British Gas known as British Gas Trading, post-privatisation and subsequent reorganisation.

Mr. Bailey became an innocent victim following the digging up of the pavement outside his home by Transco, to repair gas pipes. Transco is another former part of British Gas. It carried out the work and, on completion, the Transco engineer knocked on the door of my constituent's house and asked that he may be allowed into the garage to bleed the system of air, after putting the gas supply back on.

Unfortunately, my constituent's wife, Mrs. Bailey, was unable to give access to the engineer: the meter was located in the garage, to which she did not have access while her husband was away at his work in Birmingham. She was unable to convince the engineer that she had no access, and, in the end, telephoned for Mr. Bailey to leave his work in Birmingham to come to Wolverhampton to allow the engineer into the garage.

I should explain that Mrs. Bailey has a bone disease, which makes life very difficult for her, as well as arthritis and a heart condition, for which she will shortly undergo a double bypass operation.

On Mr. Bailey's return, he not only gave access to the engineer, but loaned him the tools necessary to do the job. He also explained how the engineer might find the person next door to gain access to his premises.

A short while later, when Mr. Bailey was about to return to work, the engineer came up the path again and asked if he could have access once more, through the garage, to the meters. My constituent explained that there was a secure door, which would require a little work, and that in any event it was now time for him to go back to Birmingham and resume his work. He could not put up with further delays.

When Mr. Bailey came home, late in the afternoon, he was met by three people. One was a policeman; the others were from the gas companies. The policeman had a warrant to search the premises, on the ground that Mr. Bailey was suspected of stealing gas from British Gas Trading. It was alleged that he put in and took out a second meter according to the time of arrival of the quarterly bill, this gaining access to gas that he should not have had. That was alleged by the Transco man, who said that he had seen the meter earlier.

A thorough search of the premises was carried out by the police officer and the gas company employees, who—surprise, surprise—found no sign of another meter. End of story, the House may think, perhaps rounded off by an apology; but no—the gas meter was removed, and Mr. Bailey was arrested, taken to the police station and charged with stealing gas.

The forensic examination found nothing wrong, and the Crown Prosecution Service decided not to prosecute by reason of insufficient evidence, there being only the word of the Transco engineer.

End of story now, the House may think. Again, an apology would have helped—but no: British Gas Trading decided that Mr. Bailey was guilty, and told him that it calculated that he had stolen gas from it to the value of £189. To be reconnected, he would need to repay that amount, as well as paying a reconnection charge of £39.

Hon. Members can imagine the exasperation felt by my constituent. He had been arrested, charged and taken to a police station; no evidence had been found. The Crown Prosecution Service had said, "Don't take it any further," but British Gas Trading decided to charge him, try him and find him guilty, without any evidence worth talking about.

This has been going on for nearly 12 months. The incident happened in January. Hon. Members should bear in mind the great distress caused to my constituent and his disabled wife.

Mr. Bailey engaged a solicitor to take on the case, but with no success. The gas company simply cited its decision, and justified it under its powers to protect its revenue. I do not oppose such powers; it is right and proper for the industry to be able to protect its revenue. I merely ask it do so in a proper and sensible way, by referring as fully as possible to evidence that it may have.

My own correspondence on the matter has produced no better result. I have written, on behalf of Mr. Bailey, to every big noise in each of the companies—Transco, Centrica, British Gas Home Energy, British Gas Trading and the Gas Consumers Council—to no avail. The defence of the gas companies was repeated like a mantra, ad nauseam, by the chairmen and their understrappers. I believe that the chairmen should take the blame for not responding to a reasoned and sensible series of letters from a Member of Parliament, and should have taken it on themselves to investigate the matter properly and thoroughly. They knew all the circumstances; they were left in no doubt of the position. None the less, they chose merely to repeat the mantra, "We have the powers; we will protect our revenue."

My constituent has two killer pieces of evidence on his side. First, he has retained all his gas bills for the 20 years during which he has lived in the house—gas bills relating to when the meter was first read, stating "zero, zero, zero". He also has his rates bill, his water bill, his electricity bill and all the household bills that so many of us always manage to mislay somewhere or other. He is the perfect book-keeper. They show a consistency in the use of gas over the years, and the gas companies in a better light in the past four years, when the increase in gas bills has been relatively stable because of the falling gas price. The gas companies knew he had all those bills. I believe that the Gas Consumers Council saw the bills.

When my constituent said to me, "I have all my bills," I said, "I am sure you do. I believe you." He was not satisfied that I believed him. The next week, he brought the gas bills to my surgery for me to see, so he was determined to show me that everything that he had was above board and available for any one to inspect any time they wanted.

The second piece of killer evidence is that the chap who has been reading my constituent's gas meter all these years lives a few doors away. He said to my constituent in the local social club, "I have seen your meter over all the years. I can swear on oath that that is the gas meter that has always been there."

Bearing in mind that my constituent had perhaps up to half an hour to change his gas meter on the first call, and perhaps another half an hour when he returned from work, it stretches credibility to believe that he would change the gas meter, but, there we are, the chap who has been reading the meter for years lives close by. He and my constituent socialise anyway, meeting occasionally in the local social club. He would say under oath that this is the meter that he has always been used to reading.

The gas authorities know both those things, but even that has not moved British Gas Trading—that is, hon. Members will be pleased know, until my Adjournment debate was announced. I am sure that it is an absolute and total coincidence that an offer has now been made—an offer that, frankly, is almost as bad as the initial problems that British Gas Trading has caused for my constituent.

The offer calls for my constituent to make a deposit of £250, which is more than it would have cost him to have the thing reconnected, but of course he would have been accused of being guilty had he met those unjust and unjustified bills. I assure the authorities that he will not settle for that. He needs to have the thing settled properly: to have an apology, with the whole thing reconnected without any further charges.

Much of this has been caused by the nature of the organisation and the apparent continual reorganisation that it has been undergoing. There has also been an element of stubbornness not to recognise that this was a matter that could have been resolved by someone visiting my constituent, looking at the evidence and understanding that, almost certainly, when the Transco engineer looked at the meter, there was a haze: a simple, honourable mistake, none the less compounded in the engineer's mind by the fact that my constituent, having left Birmingham and arrived in Wolverhampton, then wanted to return to his work—that was reasonable and fair in the circumstances—and did not want to open the garage the second time.

Ofgas has powers to intervene, but they are not sufficient. My constituent and his disabled wife could say, "Please investigate my case," but, in the meantime, his gas would remain unreconnected; it would probably be unreconnected well past Christmas while investigations took place. Indeed, it may be a difficult case to investigate, but the whole raft of difficulties could have been resolved by an early intervention.

When reviewing these matters, the Minister may consider whether a duty should be placed on gas companies—more than one is involved throughout the country—to refer to, and consult with, Ofgas to avoid what has become a Winslow Boy-type affair, which none of us wants, and which has deprived my constituent and his disabled wife of the fuel that they need to heat their house. I ask that the matter be investigated properly and thoroughly.

I hope that British Gas Trading—having heard the matter articulated in this debate, not simply reading about it—will understand that it is incumbent on it to make a proper, sensible and final offer that will absolve my constituent Mr. Bailey and reconnect his gas supply.

10.55 pm

The Minister for Energy and Industry (Mr. John Battle): I thank my hon. Friend the Member for Wolverhampton, North-East (Mr. Purchase) for raising his constituent's case. Although some may say that it is inappropriate to deal with individuals' problems in the House, I do not agree with them. Quite often, we discover in our constituency cases and surgeries how laws, Budgets and the practices of private companies impact on individuals. It is certainly appropriate that we should stand up in the House for those whom we feel have been treated unjustly, speak out for them and raise their cases. I therefore welcome the fact that my hon. Friend has dealt with his constituent's case, and the way in which he has done so.

My hon. Friend said that his constituent kept careful accounts and old bills. How often do people do so? Nevertheless, I should say that generally—I shall comment in a moment on the individual case—many of our constituents do their homework, have been conscientious in dealing with matters and deserve to be treated with the utmost respect and seriousness. If the word "customer" is to mean anything, customers have to be treated with absolute respect and be treated as companies' first priority.

The purpose of the Government's proposals in our fair deal for consumers is to renew and refresh regulation and to put consumers at the heart of the process, so that they really do come first. The law states that not people but establishing competition should be the first priority, but competition should benefit people. If it does not work for people, why have it?

I cannot go into the details of the individual case raised by my hon. Friend. It would be inappropriate for me to do so, especially as the case between the parties is unresolved. The case went to the Gas Consumers Council, which did not refer it—as, perhaps, it should have—to Ofgas, as the case was to go to court. The council perhaps felt that it should not act further on the matter.

Mr. Purchase: The case did not get to court.

Mr. Battle: Perhaps the appropriate course would have been for the Gas Consumers Council to have referred the case to Ofgas. Those at Ofgas were seemingly unaware of the case until my officials alerted them to it, because of this debate. It does seem a bit odd that, before Ofgas would take the case seriously, my hon. Friend had to go to the effort of writing to Madam Speaker to request an Adjournment debate. There seems to be a gap in the system.

We shall fill that gap by giving power to the Gas Consumers Council to be the sole point of contact when we change the regulatory rules, so that people know clearly where to go, and so that the council will champion cases right the way through the system and take on the companies.

I hope that the case will be resolved by a revised offer by the supplier. I have been informed that the parties will be meeting, when the matter can perhaps be resolved. Ofgas can use its formal powers to resolve such disputes. Gas companies and suppliers are obligated to use their licences to ensure that customers' domestic properties are supplied with gas. Should Ofgas—having considered the evidence from all parties in a dispute—decide that a disconnection is unjustified, the Director General of Gas Supply, the regulator of Ofgas, can use enforcement powers to require a reconnection. Mr. Bailey could have asked—he still could ask—Ofgas to use those legal powers.

[Mr. Battle]

Gas competition was opened up under the previous Administration and the process was completed on 23 May. There has now been a roll-out of 10 other suppliers which compete with British Gas. In the past year, that has resulted in consumer-related problems, including doorstep selling. I raised the matter with the Director General of Gas Supply last year, soon after taking office, and insisted on the introduction of a marketing licence condition that regulates the practices of companies involved in doorstep selling.

There is now a clear code of conduct and companies risk losing their licences and being fined if they abuse their customers—our constituents—in that way. We consider improper marketing tactics and doorstep sales unacceptable and we will not tolerate them. The Department is currently consulting on modifications to strengthen the Consumer Protection (Cancellation of Contracts Concluded Away from Business Premises) 1987 Regulations.

It is clear that some consumers continue to experience problems when they switch gas supplier. In that respect, some gas suppliers are proving worse than others. Problems can range from delays in transferring to a new supplier to disputes about billing. We should be aware of the distress caused to consumers, particularly the elderly and disadvantaged, if they are billed wrongly and suddenly receive a huge bill. They are then told that they are in dispute with their supplier. When they dealt with one nationalised company, consumers did not face the difficulties that inevitably arise now that there are more than 20 companies. Ofgas is aware of the switching problems and is working with the industry to get it right.

Customers are also experiencing erroneous transfer because of doorstep selling or administrative problems. They can be switched to a new supplier without having requested a transfer. That is unacceptable and Ofgas is tightening up the transfer procedures.

Since April 1996, the number of competing suppliers has doubled to about 20 and some 3 million out of 19 million households have switched supplier. There is great turmoil in the marketplace. The introduction of competition on such a scale and in such a time scale has been a considerable achievement and problems were inevitable.

Following my expressions of concern, the Association of Energy Suppliers has put together a code of practice revising the practice of doorstep selling so that companies have to hand over clear written information about their tariffs—they can no longer sign up people on the doorstep. We hope that the practice will now be jettisoned. All members of the association have signed up to the revised code and I have made it clear to the gas and electricity regulators that I expect them to take action in respect of companies that do not adhere to the new code.

All gas suppliers have a duty to establish procedures to handle disconnection complaints. If a consumer cannot resolve a problem with a gas supplier, the first port of call should be the Gas Consumers Council. If the GCC cannot resolve a problem on behalf of a consumer, it should be referred to Ofgas for arbitration.

It would be wrong and misleading to pretend that the regulatory framework was perfect when we took office. The hon. Member for Daventry (Mr. Boswell), the shadow spokesman on energy issues, is in his place and he would concede that.

Our Green Paper "A Fair Deal for Consumers: Modernising the Framework for Utility Regulation" proposes changes to utility regulation. We want to put consumers at the heart of regulation. We set out many proposals, including the merger of Offer and Ofgas, new powers for Ministers to issue statutory guidance on social obligations and environmental objectives and measures to improve the transparency of regulation of the energy industries and decisions to replace energy and telecoms regulators with small boards. We propose a new primary duty on regulators to protect and promote the interests of consumers wherever possible, through promoting competition but ensuring that the Government establish consumer councils for each of the utilities. A consumer council for energy will be established on a fully independent and statutory basis, backed up by resources. We envisage that consumer council playing a key role in articulating a strategic and independent view of consumer interests to the regulators, companies, Parliament and the media. It will be the single point of contact for people and it will have to take action.

We also want to strengthen the position of consumers by ensuring that all the regulators have the powers already held by some to impose financial penalties on companies for breaches of overall and individual customer service standards. Companies will be fined in retrospect if they get it wrong. That should strengthen the system.

We plan to encourage stronger links between customer service standards and the price caps on energy and directors' pay, to tie it in more rigorously than has been the case. We did not inherit a perfect system. We have had to overhaul the regulatory framework. We have put forward proposals on that and are looking for support to take those proposals that require legislation through the House. The new regulator will be the first energy regulator to bring together gas and electricity and build in our new guidelines.

The independent regulator will have a statutory duty to investigate and take enforcement action to prevent licence breaches. Ofgas is already working closely with the industry to solve the problems that consumers are experiencing and to tighten up the codes of practice and the licence conditions. The Gas Consumers Council, which is an independent statutory body set up to deal with consumer complaints, will be strengthened as the first point of contact. We are also reviewing utility regulation with the key aim of building into law that the consumer should be at the heart of the regulatory framework and should take precedence. The law that we inherited says that setting competition in train should be the primary duty of the regulators. That will be changed to make the primary duty protecting the consumer. If consumers do not like the service that they receive, they can and should demonstrate their concerns. They can change to other suppliers, but it is important that their supplier delivers the right quality of service.

Price is important in regulation and people naturally want lower bills, but they deserve quality and back-up in their service. That is paramount. If gas companies talk about consumer service, they ought to take their customers seriously and treat them with ultimate respect. We shall ensure that the law backs that up.

There will be a single point of contact. There is a competitive market for energy, but we shall ensure that the marketplace is regulated. We shall ensure that the poor are not priced out—that is imperative—that environmental responsibilities are taken seriously and that when there are breaches of licence conditions, action is taken against the companies concerned.

I thank my hon. Friend for raising the subject. The individual case that he has mentioned shows that we have to ensure that the structure exists to deal with future cases so that people get full justice.

Question put and agreed to.

Adjourned accordingly at eight minutes past Eleven o'clock.

House of Commons

Wednesday 2 December 1998

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Vaccine Damage (Compensation)

Motion made, and Question proposed, That this House do now adjourn.—[Mr. Kevin Hughes.]

9.33 am

Mr. Ian Stewart (Eccles): I am delighted, after several unsuccessful attempts in the ballot, to have secured this debate today. This matter was last debated in the House in April 1996, when my hon. Friend the Member for Birmingham, Northfield (Mr. Burden) presented a Bill to review and amend the Vaccine Damage Payments Act 1979. He has given much commitment and hard work to the cause and he hopes to attend the debate later. I pay tribute also to the campaigning work done by my hon. and learned Friend the Solicitor-General before his elevation to the Government.

My particular interest in the issue results from my meeting two constituents, Brendan Hanlon and Gary Hunt, whose lives and those of their families have been blighted by vaccine damage. Gary Hunt, who is 30, is profoundly mentally and physically handicapped and needs 24-hour care seven days a week, 365 days a year. He is wheelchair bound, cannot feed himself, is blind and epileptic, still wears nappies because he is doubly incontinent and, to top it all, cannot speak. Three days a week he attends the Links day care centre in Salford.

Brendan Hanlon, who is 37, has an academic age of a child under two. He suffers from unpredictable and severe epileptic fits, which frequently lead to physical injury. Only yesterday, his mother and sister took him to hospital for treatment for an ankle injury. Brendan must be accompanied outside by two people at all times, which considerably restricts his life style. He attends Craig Hall day care centre at Irlam in Eccles most weekdays, fits permitting.

We commonly talk about vaccine-damaged children, although, like my constituents, victims of vaccine damage are often well past the age of majority. Those children and adults have a spectrum of needs. They and their families are all different and try to cope in their own, unique way. Some children live at home and some are in residential accommodation. Some families rely on respite care and others rely on the extended family to give that support. All families want the greatest degree of independence and choice. I want fair and comprehensive compensation for my disabled constituents and their parents.

Following a parliamentary lobby in May, a cross-party group for vaccine-damaged children was formed by Members of Parliament. The group's aims are to assist parents and children in obtaining fair compensation and to further the reform of the vaccine damage payments system. Officers of the group had a meeting with the Minister of State, Department of Social Security, my hon. Friend the Member for Southampton, Itchen (Mr. Denham) last month to press the case for additional compensation. We told him that we hoped that the parliamentary group would be the shortest lived ever. The time has come for a just and adequate settlement for damaged people and their families.

This week I met two parents' groups—the Association of Parents of Vaccine Damaged Children and the Vaccine Victims Support Group—to discuss and agree on the components of a fair and adequate compensation scheme. I ask my hon. Friend the Minister to ensure that he arranges a meeting with them in the near future to hear their proposals.

I make it clear from the outset that the parents of those children and adults and the cross-party group for vaccine-damaged children are 100 per cent. behind a public vaccination programme. We are discussing today what responsibility the Government have adequately to compensate people when accidents occur.

Earlier this year I attended a briefing for Back-Bench Members on the measles, mumps and rubella vaccine. The Minister for Public Health and the recently retired chief public health officer, Sir Kenneth Calman, were present. Sir Kenneth made the point that politicians will always have to make hard decisions about any proposed Government vaccination programme in the full knowledge that there will always be accidents. I put it to him that if politicians make those hard decisions in the light of the wider public interest, it is surely politically, socially and morally right that before implementing the decisions, a system of adequate compensation for accident victims should be devised, and that funding should be shouldered jointly by the Government and the pharmaceutical industry. He replied simply, "Yes, I agree with you."

I am not here today to debate whether, or to what extent, vaccination is responsible for my constituents' disabilities. I know that the recent attempt to reopen that debate in a prominent Sunday newspaper has been very painful for parents. In my opinion, the Government accepted responsibility for vaccine victims with the 1979 Act and the scheme that was established a couple of years earlier. Successive Governments have honoured that responsibility—albeit inadequately—by periodically uprating the payment. The £10,000 payment of 1979 was increased to £20,000 in 1985, to £30,000 in 1991 and to £40,000 this year for new cases.

I shall focus on people damaged by the diphtheria, tetanus and whooping cough vaccination—DTP—and on the level of financial help given, although I shall mention the six-year time limit for claiming payments and the 80 per cent. disability threshold currently in operation. Other hon. Members may wish to speak about these issues and their concerns about the measles, mumps and rubella vaccine.

In the early 1970s, parents of vaccine-damaged children argued for compensation on the ground that they were encouraged to have their children vaccinated as much for public health reasons as for the interests of the individual child. The then Labour Government established a royal commission on civil liability and compensation for

[Mr. Ian Stewart]

personal injury, known popularly as the Pearson commission. It reported in March 1978. Recommendation 158 concluded that there was

"a special case for paying tort compensation for vaccine damage, where vaccination is recommended by the state and is undertaken to protect the community."

The 1974–79 Labour Government, keen to ensure an early measure of help, introduced the 1979 Act. The then Health Secretary, the late Lord Ennals, said that the payment would not

"pre-empt decisions which the Government still have to take"

on the Pearson recommendations. Answering a Member who expressed great dismay that the payment was so small, he said:

"This is not saying, 'This is the end. We are wiping the slate clean'. This is some way in which we can help these people now".—[*Official Report*, 9 May 1979; Vol. 949, c. 977-80.]

However, when the Conservative Government took office in 1979, parents were told that the £10,000 was a full and final payment.

The value of the scheme has deteriorated considerably between upratings. In 1984-85, the real value of the £10,000 was about £5,600. In 1985, the payment was increased to £20,000. Upratings have been irregular; families waited until 1991 for another increase, and a further seven years for the latest increase.

Many Members of Parliament, especially my hon. Friend the Member for Northfield, tried hard to persuade the previous Conservative Government to improve the level and scope of compensation. Their entreaties fell on deaf ears. I am glad that now several Conservative Members feel that they can support the case for adequate compensation and a review of the criteria laid down in the 1979 Act.

Mr. Llew Smith (Blaenau Gwent): Does my hon. Friend accept that although the Government have set up a vaccine damage unit in Blackpool—in recognition of the fact that things can go wrong and that people should be compensated—in the case of some vaccinations, such as the triple MMR and also just measles and rubella, the Government refuse to believe that there might be a link between vaccination and damage to a child? Does my hon. Friend also accept that it is difficult to prove that the vaccination led to the damage, even when a perfectly healthy child who has never had a day's illness becomes seriously ill within minutes of vaccination? Is it his opinion that the Government should introduce a scheme whereby, instead of its being the parents' responsibility to prove that the child was damaged by the vaccination, it is the responsibility of the Government and the pharmaceutical industry to prove that the child was not damaged by that vaccination?

Mr. Stewart: Yes, I accept the validity of some of the points made by my hon. Friend. However, today I shall focus wholly on the DTP and the 1979 Act.

In April 1996, an early-day motion was tabled calling for comprehensive improvements to the 1979 Act. The motion attracted about 300 signatories, including 26 Labour Members who are now Ministers and several more who are now Whips. They include my hon. Friend the Member for Coventry, North-West (Mr. Robinson), my right hon. Friends the Members for Tyneside, North (Mr. Byers) and for Dulwich and West Norwood (Ms Jowell) and my hon. Friend the Member for East Ham (Mr. Timms). My call for improved compensation therefore has supporters at the Department of Health and the Department of Social Security and—perhaps most important—I believe that it has friends at the Treasury.

On 23 June 1998, my hon. Friend the Minister told the First Standing Committee on Delegated Legislation:

"The vaccine damage payment scheme provides a substantial measure of preference for those . . . severely disabled as a result of vaccination over those . . . equally severely disabled from some other source."

That acknowledgment of preference tells me that the Government have reviewed the evidence, identified vaccine damage victims as a special case and given some special support. However, I am afraid that I do not agree with my hon. Friend the Minister when he says that the preference is substantial. I believe that it is neither substantial nor remotely adequate.

My hon. Friend told the Committee that United Kingdom vaccination programmes had been very successful. We all agree. He said that, between 1951 and 1955, there were 627,033 cases of whooping cough in England and Wales, resulting in 1,103 deaths. Between 1991 and 1995, when vaccine coverage rates reached 94 per cent., there were only 1,873 reported cases and, thankfully, only five deaths. My hon. Friend said:

"The continued success of the immunisation programme is of enormous importance to individuals, their families and the country as a whole in reducing the incidence and effect of serious communicable diseases. Where, rarely, on the balance of probability, the programme does result in severe damage, the vaccine damage payments scheme provides a measure of financial help."—[*Official Report, First Standing Committee on Delegated Legislation*, 23 June 1998; c. 4-5.]

Essentially, we are arguing about what is the right measure. The £10,000 received by Brendan Hanlon is an inadequate measure. Even the hon. Member for Rutland and Melton (Mr. Duncan) said that the figure was missing a nought or even more. It would have helped if the Conservative Government had shown the compassion and responsibility that some individual Conservative Members are now showing. If all the children who received the original £10,000 were to receive £100,000, it would cost only £79.5 million; and we all know of recent medical compensation cases in which payments of £1 million or more have been awarded to individuals.

As of June 1998, 890 payments had been made under the 1979 Act and the scheme which briefly pre-dated it. That is from a total of 3,999 claims—a success rate of just 22 per cent. The vast majority of payments—some 795 of the 890—have been at the £10,000 level. I believe that the low success rate is related to the highly restrictive 80 per cent. rule. Parents find it hard to accept that a child can have a considerable disability yet get no compensation. The 1979 Act also includes a six-year time limit on the period during which claims must be made. That disadvantages parents who might not have access to full information about the scheme. It might be well publicised now, but that has not always been the case.

It could and can take time for parents to become aware of the cause of their child's injury, and it can take many more months or even years before the necessary medical information is compiled. Up to 31 March 1995, 210 claims fell foul of the six-year rule. I am today calling for a review of the limitation on actions to relax those restrictions.

The Government must not hide behind the mantra that additional compensation is for the courts to decide, and my hon. Friend the Minister cannot continue to say that legal aid is not a matter for him. The Government are committed to a policy of co-ordination—joined-up thinking, as it is now routinely called.

Litigation is a dead duck for most parents, although I was delighted that on 17 November the Legal Aid Board allowed 16 families the right to re-apply for legal aid certificates to fight cases on behalf of their children where medical negligence is alleged. My constituents, Mr. and Mrs. Hanlon, had their legal aid certificate withdrawn in 1994 after 13 years. They are among the 16 families who can now re-apply for a certificate. Mr. and Mrs. Hanlon are 74 and 78 years old respectively, and they are tired of getting on and off the legal merry-go-round.

For many parents, the courts offer no solution. The relevant documents are missing, and vaccine batch numbers are lost, destroyed or missing. The Government's proposed changes to the qualifying criteria for legal aid may make such cases even more difficult to pursue. It has been argued that the conditional fee agreement that the Government are recommending would be particularly difficult in medical liability cases.

Victims of vaccine damage and their parents are looking to the Government to provide a decent and adequate compensation scheme. I know that various proposals have been advanced. One suggestion is for a substantial lump sum. Other proposals are for the payment of a severe disability pension like that paid for industrial or war injuries. Both suggestions may be appropriate. It is also time to revisit the Pearson report, which gave the issue a thorough investigation. I do not want to be too prescriptive, but the parents of vaccine-damaged children and I are looking to the Government to present some realistic options that will move the matter forward quickly.

A new or revised scheme should acknowledge five principles. First, it should recognise the need for a lump-sum payment which takes account of the wide spectrum of need among vaccine damage victims and the variety of suitable care provisions, ranging from full-time home care to full-time residential care. Families should have the financial wherewithal to make choices about the best care for their child now and in the future.

Secondly, it should be acknowledged that the longest suffering children and families have had the most expense and the least help. Any proposed settlement should recognise that. Thirdly, it must be accepted that in any vaccine programme, even in the future, inevitably there will be a small number of accidents. Therefore, an adequate and fair system of benefits and/or pensions should be established. Fourthly, the funding of such compensation should be the joint responsibility of Government and the pharmaceutical industry. Fifthly, the 80 per cent. and six-year criteria should be relaxed.

Since the early 1970s, parents have done all the right things. They have lobbied, they have tried litigation, they have persuaded sympathetic Members of Parliament to raise the matter, they have had an early-day motion tabled and they have lobbied Ministers, most recently in May this year at the House of Commons. I know that for many families it was a great struggle to get here, and that it was expensive for those who came from far-flung parts of the United Kingdom. They did so despite having to attend to the constant needs of severely disabled children and adults. Now they want action. They want their sons and daughters' futures to be secured and they want an end to almost three decades of fighting for justice.

To my mind, the parents and sisters of Brendan Hanlon spoke for all the families and all the damaged children when they wrote:

"We have been extremely patient for many years, but the urgency of providing our sons and daughters with the financial muscle to purchase dignified care is ever pressing."

Mr. and Mrs. Hanlon, who are in their 70s, want to ensure that during their lifetime they have secured and provided for the future care of their child. In that sense they are no different from all the other parents who have mature vaccine-damaged children. They know that they are stoic. They have been told that they are heroes, and undoubtedly they are, but time is running out. They want justice and concrete proposals for proper compensation now. I am confident that my hon. Friend the Minister and the Government will meet that challenge.

9.56 am

Mr. David Rendel (Newbury): I congratulate the hon. Member for Eccles (Mr. Stewart) on raising the matter in the House and on his eloquent and moving speech, in which he put the arguments extremely well. I whole-heartedly support a great deal of what he said. He made a strong case and brought to the attention of the House, and, I hope, of the Government, the needs of families with a child damaged as a result of the vaccination programme.

I endorse what the hon. Gentleman said about the importance of that programme. However, one thing that should not come out of the House today is any scare story about the vaccination programme in general. The hon. Gentleman is right to say that it has proved an enormous success, leading to a huge reduction in the incidence of diseases, which have almost been eradicated from our country, and a huge reduction in the number of deaths, especially of young children, as a result of those diseases.

Our generation owes the greatest debt of gratitude to the medical services, as we were the first generation to enjoy the full benefits of the vaccination programme. In my very early years the vaccinations were just being introduced. As a result, most of my friends and my generation have not suffered as previous generations did.

It is important that the vaccination programme should continue. The hon. Gentleman is right to say that even the families of children who have suffered as a result of accidents following vaccinations are aware of the need for the programme to continue for the sake of the public. It is inevitable that there have been and always will be one or two children who are damaged as a result of vaccinations. We must take care of them. It is in the best traditions of the hon. Gentleman's party and of mine that in the House we should consider not just the public as a whole, but the individuals who, in one or two cases, may have suffered from what is in the best interests of society at large.

Mr. Llew Smith: Does the hon. Gentleman accept that we are speaking not about one or two cases, but about thousands of cases? If he is in any doubt about that, perhaps he should consult some of the solicitors and barristers dealing with those cases.

Mr. Rendel: I apologise if I gave the hon. Gentleman the impression that I was trying to minimise the

[Mr. Rendel]

importance of the matter. The number of people damaged by vaccines, as opposed to other causes, is in dispute. The numbers now are small in comparison with the huge numbers being vaccinated in the overall vaccination programme.

Mr. Andrew Love (Edmonton): It is not only the numbers that are in dispute, but whether the vaccine is responsible for what has happened in some cases. I attended the same meeting as my hon. Friend the Member for Eccles (Mr. Stewart) with the chief medical officer. For every statistic that we could throw up, the chief medical officer threw up a counter-statistic. Does that not tell us that more research is needed, so that we can establish whether and when vaccines are responsible? That would allow the people described by my hon. Friend to be adequately compensated when it is clear that the vaccine caused the damage.

Mr. Rendel: I am sure that we would all welcome more research, but for some families it is already too late—the damage has been done. We should concentrate on what can be done to help the families of people who have already been affected.

Many hon. Members have probably had the opportunity—the privilege—to visit such families, as I have, and will know how severe the effects of vaccine damage can be. Those affected may need direct care for as much as 24 hours a day. Young children who are disruptive as a result of mental disability must be watched for every moment of their lives, because they may be a danger to themselves and others. As the hon. Member for Eccles said, the current programme does not provide enough compensation to enable such people to be looked after properly.

In other cases involving medical accidents, compensation has run into millions of pounds. If we are to retain the system whereby lump sums are provided in compensation for some medical accidents—and I am not sure that it is the right system—such sums must be large enough to give the family a continuing income, so that proper care can be paid for. Compensation should be higher than the £40,000 agreed in the summer.

The hon. Gentleman was also right to point out that there are different degrees of damage. Some people will need more care than others. There is a good case for a sliding scale, and for a reduction in the current highly restrictive requirement for sufferers to be 80 per cent. disabled to receive compensation.

That the 80 per cent. requirement is restrictive was demonstrated last summer, when the Minister told us that the number of cases receiving compensation had fallen to about five a year. The hon. Member for Edmonton (Mr. Love) said that the figures that I had mentioned might be too low in relation to needs. Certainly, compensating a mere five families a year will not require much in terms of public resources.

There has also been a problem in regard to legal aid. I am delighted to learn that in a number of cases that is apparently being resolved, but if we are to continue with the programme as it is now we must consider the needs of families, many of whom, because of their difficulties, have few resources of their own. They should be given a chance to take their cases to court and to obtain compensation.

We have been told that a review of the whole scheme is under way, but the process seems to be rather slow. The Government are very keen on reviews: they are reviewing all sorts of things, and setting up working parties. Admittedly the issue is difficult, and, as has been said, a number of the medical problems have not been fully resolved. I accept that a review must be proper and thorough, but I hope that the Government will not consider the fact that fairly small numbers are involved to be an excuse for allowing this review to drag on and on. It should be speeded up as much as possible because the issue is critical for those involved, although they form a relatively small proportion of the population.

The Government may wish to consider a no-fault compensation scheme as a way of resolving not only this problem, but other medical problems. It is time that they did so. Many people have special needs as a result of medical damage of some kind, whether or not that damage was a result of negligence on the part of a doctor, and those caring for them experience difficulties in providing for those needs. Surely we should do what we can for them, regardless of the cause of the problem.

Mr. Simon Hughes (Southwark, North and Bermondsey): One good reason for the Government to establish such a scheme is the possibility of avoiding endless actions against different health authorities and trusts which must then arrange for administrators and staff to deal with the litigation. A central system tied in with no-fault compensation would hugely reduce administration costs in the national health service, as well as making matters much easier for claimants.

Mr. Rendel: My hon. Friend is right. Sadly, the only people who are likely to benefit from the retention of the current system are the lawyers who, year after year, deal with these lengthy cases in the courts. It would be better for some of the money to be given to the victims of medical accidents. My hon. Friend was also right to mention trusts. A number of trusts are known to be in great difficulty after losing cases that they expected to win, and being stung for large amounts of compensation.

I ask the Minister to respond to the points that I have made, and to tell us whether he is considering a no-fault compensation scheme. I feel that that must be the answer in the end, and I hope that that end will come sooner than seems likely at present.

10.7 am

Mr. Richard Burden (Birmingham, Northfield): I congratulate my hon. Friend the Member for Eccles (Mr. Stewart) on securing the debate, and apologise to him, and to my hon. Friend the Minister, for the fact that I shall be unable to stay until the end.

I have been interested in vaccine damage for some time. In the last Parliament, I introduced a ten-minute Bill and tabled an early-day motion on the subject. Significantly, the early-day motion secured more than 200 signatures from hon. Members on both sides of the House, which demonstrates the strength of feeling in all parties.

My involvement, like that of many other hon. Members, began as a result of a constituency case. I pay tribute to Mrs. Olivia Price, and to all the other parents of vaccine-damaged children who have worked so hard over the years and have shown such resilience in campaigning for justice.

"Vaccine-damaged children" is, in a sense, a misnomer. As my hon. Friend pointed out, we are now dealing mainly with vaccine-damaged adults. That certainly applies to the cases approved under the Vaccine Damage Payments Act 1979. The parents of those concerned are getting on in years, and the time has come for us to address the issue. Indeed, such action may be overdue.

The position was clear back in 1978. The Pearson commission recommended a weekly disability benefit for all severely disabled children,

"irrespective of cause of disablement".

It went on to say that

"the Government or local authority concerned should be strictly liable in tort for severe damages suffered by anyone (adult or child) as a result of vaccination which has been recommended in the interests of the community".

That, surely, is the key issue. The vaccination programme, which I support, is a public health measure. Vastly more children have benefited from it than have suffered. Given that it is a public health measure, however—a measure promoted by the public for public health reasons—and given that there will always be a small number of children who are adversely affected by vaccines, we, as a community, have an obligation to look after them and their families. That is all that parents have been saying for all these years. The obligation is important not just in terms of justice for those families, but in terms of the credibility of the vaccination programme.

There are legitimate arguments about the MMR—measles, mumps and rubella—vaccine and other issues, on both sides. I am a supporter of vaccination, but, in all seriousness, I say to my hon. Friend the Minister that until we sort out the issue of compensation for the small number of families who have been affected, those two matters will continue to get mixed up. The credibility of the vaccination programme will suffer as a result of the issue of compensation not being adequately addressed.

Although I accept in many ways what the hon. Member for Newbury (Mr. Rendel) said about the need to examine an overall no-fault compensation scheme, we should not leave the addressing of the issue of compensation until we tackle those broader questions. This has gone on for too long already, and there are some fairly simple things that can and should be done. First, as my hon. Friend the Member for Eccles said, the level of compensation should be dramatically increased for all those affected. That is a vital component.

Secondly, we should remove the 80 per cent. rule, which has unjustly ruled out too many families. Thirdly, we should do something about the six-year rule, which has had a corrosive effect. That would not cost a great deal of money. The parents deserve it, and we as a community have an obligation to the families involved and to the credibility of the vaccination programme.

10.11 am

Ms Jean Corston (Bristol, East): First, I congratulate my hon. Friend the Member for Eccles (Mr. Stewart) on securing the debate and on the moving content of his speech. I also pay tribute to my hon. Friend the Member for Birmingham, Northfield (Mr. Burden), who did so much during the previous Parliament to call public attention to the number of children who have been casualties of an immunisation programme to which we are all committed and to which we want parents to be committed.

I am vice-chair of the newly formed all-party group on vaccine damage, and I put on record the fact that we are working to put pressure on the Government about promises and obligations that we think rightly fall on them. We have been assisted by my hon. and learned Friend the Solicitor–General, who, before his elevation to that august post, was an active member of our group.

I shall use the time available to me to detail a particular case in my constituency—that of Matthew Needs. Matthew, and his parents Enid and Ivor, became my constituents as a result of boundary changes following the general election. Before that, they had been the constituents of, in reverse order, my hon. Friend the Member for Kingswood (Mr. Berry); Mr. Rob Hayward, who was Conservative Member for Kingswood for a time; and my right hon. Friend the Member for Chesterfield (Mr. Benn), who at that time was the Member for Bristol, South-East. Mr. and Mrs. Needs have worked with all those Members of Parliament to try to achieve justice for Matthew.

The total sum of compensation available in the statutory scheme is slightly more than two years of the average wage. At the same time, children who have been damaged at birth or who have had a disability, and have been in the fortunate position of being able to prove negligence in civil law, are receiving damages counted in millions because of the cost of care for a lifetime. That is what is involved: a lifetime of care from parents, many of whom are reaching retirement, as my hon. Friends have said.

Matthew was born on 11 June 1975. There were no complications in his birth, and he held up his head at between six and seven weeks, which is quite forward. He sat up at six months, in December 1975. On 16 September 1975, he had his routine three-month check at the local authority children's health clinic. The doctor who saw him, Dr. Joan Boyd, had 43 years experience as a child health doctor by the time of her retirement. She said:

"My clinical examination in conjunction with peri-natal and post-natal hospital tests showed a very long baby with tests within the norm for his age, in my opinion."

On 8 January 1976, Matthew had his first injection of the vaccine DTP—diphtheria, tetanus and pertussis. Pertussis is commonly known as whooping cough. Afterwards, his mother said that he had a prolonged screaming fit, became drowsy and slept for 17 hours. His behaviour was noticeably different when he woke, and he was unable to recognise his mother, which is extraordinary in a child of seven months.

Quite a long way down the road, and after lots of pennies had been put in the legal meter, a medical opinion was sought from two eminent specialists—Dr. F. Clifford Rose of Harley street and the Charing Cross hospital neurology department, and Professor G.T. Stewart of the University of Glasgow. They said:

"On the evidence submitted to us it would appear that he had a severe adverse reaction a few hours after this injection."

Mrs. Needs said that he

"seemed suddenly lifeless and floppy . . . like a rag doll".

[Ms Jean Corston]

A couple of days later—on or about 10 January—Matthew had brief seizures in which his body became rigid and his eyes stared for a few seconds. Mrs. Needs reported that to the clinic and to her doctor, but she was told that there was no need for concern, but Matthew remained backward and disturbed in the weeks thereafter. Dr. Clifford Rose and Professor Stewart said:

"We interpret this as a global disturbance of cerebral function which was followed immediately, as the record shows, by severe mental and physical retardation."

At that point, some hearing loss was noticed, and Matthew saw a doctor at a hearing clinic in March. Nevertheless, on 4 March 1976 he had his second injection of the triple vaccine, because Mrs. Needs was told that there was no cause for concern. After that, Matthew had another prolonged screaming fit and the retardation increased.

On 16 March 1976, Matthew had his nine-month check-up with the same doctor, Dr. Boyd, at the children's clinic. She said:

"Clinical examination by me showed a very long child again with, in my opinion, poor muscle tone and some delay in the development of locomotive skills.

I considered that development delay needed further investigation at specialist level. An appointment for Dr. Brian Speidel of Southmead Hospital, Bristol, to see Matthew in Out patients was made."

Obviously he was being referred to a consultant because of the inexplicable deterioration in his condition, from being a normal baby at three months to a slow child at eight months.

On 7 May 1976, in Southmead hospital, it was discovered that Matthew was unable to sit unsupported. He later saw Dr. Carpenter at Purdown hospital in Bristol. He had an appointment with a paediatrician, who said that the child's condition was not related to vaccination. That seems to be the sole bit of evidence on which the Department relies in shutting Matthew out of the scheme altogether. My hon. Friends have made the point that the scheme as it stands is inadequate to compensate these children—most of whom are now adults—and their parents, but Matthew's parents have never received a penny because the Department relies on that one written comment from a paediatrician.

On 1 July 1976, despite that catalogue of horrors, Matthew was given his third injection of the vaccine. The consultants to whom I have referred said:

"There is no evidence of a pre-existing neurological or other lesion to account for his condition. We are therefore of the opinion that it is more likely than not that the first injection caused brain damage which was aggravated by the second and third injections. These were given in violation of scheduled contraindications and of doubts expressed by Matthew's parents.

In this respect they were given negligently of the child's best interest especially since at the time of the third injection he was over one year of age and therefore no longer at serious risk of severe disease or complications from whooping cough."

The Vaccine Damage Payments Act 1979 was passed in the dying days of the 1974-79 Labour Government. For its first 18 years on the statute book, it was the responsibility, and under the discretion of Conservative Secretaries of State. Cases were heard by a vaccine damage tribunal. On 10 September 1979, the tribunal turned down Matthew's application. Its judgment says:

"From the history it appears far more probable that the influenza illness which coincided with the first immunisation caused this child's condition rather than the immunisation."

In particular, it was noted that

"the second and third immunisations with the same vaccine did not result in any deterioration of the child's condition."

That is a strange point to make. Furthermore, that was the first Mr. and Mrs. Needs had heard of Matthew having had influenza. It looked as though that had been entered on Matthew's medical records by his general practitioner.

Mr. and Mrs. Needs applied for a re-trial based on a mistake as to a material fact, which was that Matthew had suffered influenza at the time of his first vaccination. In October 1979, Dr. Carpenter, who was the consultant psychiatrist at Purdown hospital, said:

"Matthew's clinical picture at present certainly fits that of a brain damaged child and this, coupled with the fact that he appeared to be a perfectly normal developed baby before the alleged immunisation at seven months, must cast grave doubts upon the suggestion that his brain damage or deterioration was due to influenza. Certainly influenza, like many other viruses, probably could cause brain damage whether by direct infection or by an allergical mechanism but I cannot think of a single case off-hand and feel it must be excessively rare. Judged on probability therefore it is surely far more likely that it was the whooping cough vaccine."

In 1980, the vaccine damage tribunal turned Matthew down again, and did not give any reasons. It just said that, on the balance of probabilities, it did not think that his condition was as a result of a vaccination.

A psychological assessment of Matthew in 1981 said:

"It is very difficult to imagine Matthew advancing to any degree, other than a physical increase in stature, regardless what treatment methods are used and to my mind"—

the doctor was James B. Norman—

"having seen what milestones he had reached prior to the vaccination, I feel that he is less advanced now than he was prior to the vaccination which to my mind suggests very strongly that the vaccination may well have been the cause of his brain damage."

Since that time, Mr. and Mrs. Needs have been on a legal merry-go-round. They do not have a batch number for the vaccination, because the records have been destroyed. I do not allege any malpractice. Matthew's medical records referred to influenza, but they have now gone, so no one has any evidence that influenza was given as a cause. It is impossible, or at least very difficult, to prove negligence.

The matter has gone backwards and forwards. It has gone to various Secretaries of State. Lord Henley said that the case was out of time. When the right hon. Member for Sutton Coldfield (Sir N. Fowler) was the Secretary of State, he turned down an application. In the interval, Mr. and Mrs. Needs have, to my knowledge, spent £5,361 of their own money trying to get justice for Matthew.

Some people have said that there is a question mark over whether vaccine damage exists, despite the 1979 Act. I have a letter from the Minister for Public Health, who referred to the findings of a national childhood encephalopathy study. She said that it

"failed to identify a statistically significant link between pertussis vaccine and neurological damage."

She went on:

"However, we do know that pertussis itself can cause brain damage."

In 1976–77, the Parliamentary Commissioner for Administration reported on the yellow card system. He noted that doctors were not reporting suspect adverse reactions on the yellow card system as rigorously as they should, and that that was a matter of concern. Although there was no statutory requirement for doctors to do so, it was made clear that it was extremely important. The Department had reminded doctors from time to time of the yellow card system to help identify hazards, but the Commissioner felt that it was generally accepted that there was under-reporting.

The report made specific reference to the whooping cough vaccination. It said:

"The main reaction of triple vaccine apart from other local reactions which have been reported and which give cause for concern are first, convulsions and encephalopathy and secondly the sudden onset of shock or collapse and the shrill cry or screaming attacks which may persist for several hours."

Those are precisely the symptoms that Mrs. Needs described. The report reviewed research from 1961 to 1974, and said that

"the sudden onset of collapse within 4 hours of immunization and the peculiar screaming attacks following the triple vaccination in the young infant may be attributed to the vaccine with greater confidence as they do not appear to have been observed after other prophylactics given at the same age or in children who have been given no vaccine."

When Mr. and Mrs. Needs came to see me in my advice surgery last year, Matthew came with them. He was very frightened at being in a room with people he did not know, and sought refuge by constantly hugging his mother, as would a baby of seven months who was in a room with strangers. For reassurance, he put out his hand to his mother and said, "Round and round the garden." She had to stop and do "Round and round the garden like a teddy bear" on his palm—he was 22. That reassured Matthew and he beamed, but there was not a dry eye left among the rest of us in the room. This was a man of 22 exhibiting the familiar behaviour of a 7-month-old baby.

I pay tribute to Ivor and Enid Needs for the love and care they have given Matthew and his siblings. I cannot imagine how much patience they have required. I should like my hon. Friend the Minister to make it clear to the Secretary of State that the Vaccine Damage Payments Act 1979 gives him the discretion to make an order to add medical evidence, such as that submitted by many doctors in the case of Matthew Needs, in the absence of proof, such as a batch number or GP's records. If eminent specialists in the field say that the cause of disability is almost certainly vaccination, that should carry equal weight. I do not want to criticise the vaccination programme, but we have a responsibility towards its victims.

I am grateful to the Under-Secretary of State, my hon. Friend the Member for East Ham (Mr. Timms), who met me recently to discuss Matthew's case. However, I am not convinced that the Department is taking this matter seriously enough. I ask my hon. Friend the Minister to take careful note of what I have said and to recognise that young people such as Matthew, and their parents, deserve justice from the Government.

10.28 am

Dr. Peter Brand (Isle of Wight): I am grateful for the opportunity to make a short contribution to this important debate. I am sure that there is consensus in the House on this issue. The hon. Member for Eccles (Mr. Stewart) set out the case extremely well. I shall concentrate on the public health aspects, which were discussed by the hon. Member for Birmingham, Northfield (Mr. Burden), and shall touch on the case described by the hon. Member for Bristol, East (Ms Corston).

Many of my medical colleagues find it difficult to accept the concept of vaccine damage. There is an association between having an immunisation and neurological diseases occurring, but we know that many neurological diseases in small infants occur at about the time vaccines are given. It is extremely difficult to prove causality as opposed to a link. Many of my colleagues say that, if we allow causality, it may undermine the public's confidence in the vaccination programme. They are profoundly wrong.

Nowadays, for each individual child, it is safer to rely on herd immunity rather than to have a vaccination, but if many individual parents made that decision, herd immunity would disappear almost within weeks. Then we would all, as individuals, be at risk again of a number of diseases that, thankfully, we do not see very often now. Therefore, it is important that individual parents, when they make the responsible choice of having their child vaccinated on behalf of the community, have the assurance that should anything go wrong—whether or not cause and effect can be proved—if there is a link, they will be looked after by the very state and community that benefits from that selfless act.

It all sounds slightly dramatic, but that is a decision that each parent has to make. During some of the irresponsible scares that we have had recently, the focus on vaccine-damaged children not being treated properly by the state has created an on-going festering sore. All of us in the Chamber and everyone who has spoken know parents. The people affected are growing older. Parents are more anxious about those dependent individuals, clearly described by the hon. Member for Bristol, East.

It is in the interest of the Government and public health to make the decisions that parents have to make easier by acknowledging that, if there is any association between a disability and an immunisation procedure, the Government will face up to their responsibilities, without driving those people through the protracted misery of having to go through the courts.

10.32 am

Mr. Eric Pickles (Brentwood and Ongar): This has been an interesting and thoughtful debate. I, too, congratulate the hon. Member for Eccles (Mr. Stewart) on his selection. He spoke movingly about the plight of his constituents and about the difficult decisions that have to be made, as did the hon. Member for Bristol, East (Ms Corston), whose description of her constituents' problems I found deeply moving. I could see that she, too, was moved by their plight. I hope that the Government will take the opportunity to reconsider the individual case that she mentioned.

The hon. Member for Eccles made a slight side swipe at the previous Government when he said that the late Lord Ennals had suggested that more reform might be forthcoming. The hon. Gentleman quoted from the official record. If he studies that debate carefully, he will find that Patrick Jenkin, now Lord Jenkin, remarked that Lord Ennals had gone out of his way not to say that it was an

[Mr. Eric Pickles]

interim payment. Part of the problem with which we have been bedevilled is that there have been hints and suggestions that something else is about to be done. I hope that the Minister of State will not be guilty of the same fault.

We are struck by the effects of vaccine damage on individuals and by the amount of injury that is suffered. Hon. Members have referred to the fact that a child must be classified as 80 per cent. disabled before qualifying for payments. The effect of that must be devastating not only for the individual but for the family; the hon. Member for Bristol, East gave a clear example.

It is also striking that the percentage of awards against claims has steadily gone down. The hon. Member for Newbury (Mr. Rendel) talked about a handful of awards; I think he mentioned five. It is interesting that there have been five awards against 260 claims in the past three years.

As the hon. Member for Birmingham, Northfield (Mr. Burden) said, we should not forget that the assistance given under the Vaccine Damage Payments Act 1979 was based on the principle that parents should be actively encouraged to have their children vaccinated on grounds of public health, as well as for the welfare of the individual child.

As hon. Members have pointed out, controversy continues over the measles, mumps and rubella vaccine. I have a letter from the Minister for Public Health in response to a constituent's inquiry about the safety of that medicine. I will not quote the whole letter, nor, for reasons of confidentiality, will I name my constituent. The letter says:

"There has been much adverse reporting in newspapers and on television about MMR vaccine over the preceding months. We very much regret the anxiety this has caused, especially since much of the reporting has been factually wrong."

It talks about the Joint Committee on Vaccination and Immunisation and says:

"The Committee's view remains unequivocal that, on the scientific evidence available, there is no link between MMR vaccine and inflammatory bowel disease or autism."

It is against that background that we seek to reassure families that vaccination remains safe.

The hon. Members for Eccles and for Newbury talked about whooping cough. I was born in the early 1950s—1952 to be precise.

Mr. Kevin Hughes (Doncaster, North): Hear, hear.

Mr. Pickles: The Whip is right. I look a lot younger, but I thank him for that remark.

At that time, whooping cough was a great killer of children. Great fear stalked the streets. Years later, my mother talked about the constant fear, the effects on children and the effects on families in our locality whose children had died or contracted the disease.

In the early 1950s, the number of whooping cough cases was roughly 157,000 a year, compared with 2,000 today. The number of deaths was 300 a year, compared with one a year 40 years later. The public vaccination programmes remain safe and are a sensible precaution for parents to take for the well-being of their children and their children's playmates. As hon. Members have said, however, when vaccinations go wrong, the consequences can be tragic.

Hon. Members have referred to the problems in the 1970s, when some members of the medical profession expressed doubts about the safety of whooping cough vaccine. The result was the 1979 Act. As several hon. Members have it made clear, that was not intended as compensation, but, to quote the late David Ennals, as an "urgent measure of health". He made several statements on Second Reading that have since been subject to different interpretations; indeed, we have had heard some differing interpretations today.

At the time of the debate, the royal commission on civil liability and compensation for personal injury had made recommendations on a limited compensation scheme, but as that would, in the words of the late Lord Ennals, "inevitably take time", the Government decided to introduce a lump-sum payment. It is important to emphasise that each uprating relates only to new cases.

Many people took that to mean that other measures would be introduced. Clearly, the sums that have been involved—£10,000, £20,000—are nothing like the levels that would be available in court. I have some briefing papers supplied by a lawyer on comparable schemes involving the courts covering 80 per cent. disability. The figures include £520,000 for an 11-week old girl; £708,000 for a five-year-old boy; a case from Leeds involving £105,000; a case involving £346,000; leading up to one involving £1.25 million compensation.

It is fair to say that, despite the legal aid changes, action on such cases has largely been ruled out because it is very difficult to prove causation: from the early 1980s until the recent cases, the Legal Aid Board refused to grant legal aid to pursue them.

It is to the Government's credit that in June they uprated the amount payable in new cases to £40,000—on roughly the same basis as the two previous upratings by the Conservative Government. In the debate, the Minister made some interesting points that suggested that there would be a further review. On the uprating, he said:

"I should also like to draw attention to the other part of the announcement about the vaccine damage payment scheme being considered as part of the welfare review, which includes disability."—[*Official Report, First Standing Committee on Delegated Legislation*, 23 June 1998; c. 3.]

In a written answer in another place, the Under-Secretary said:

"The Vaccine Damage Payments Scheme is the responsibility of the Department of Social Security. Consideration is still being given to this complex and sensitive issue and an announcement will be made in due course."—[*Official Report, House of Lords*, 2 November 1998; Vol. 594, c. *28*.]

The promised statement on vaccine damage payments came in "A new contract for welfare: support for disabled people", which on page 41 states:

"We have increased by £10,000 to £40,000 the tax-free lump sum payment which is awarded, in addition to the normal range of disability benefits, to children who are severely disabled as a result of recommended childhood vaccines. We are continuing to consult with representative bodies on any future changes to the scheme."

The Minister, for whom I have a great deal of time, would hardly have made those promises unless he was about to deliver on them; he has just nodded to that effect. I am delighted that he has taken the unusual course of

making that major announcement during a Wednesday Adjournment debate. To be worthwhile, the review must consider things beyond inflation uprating. At the end of his speech in the uprating debate, the Minister said that the uprating would stand "for some time". Let him say now how often it will be uprated.

Is the review only about the scheme's operation and administration, or are extensions proposed? Are there proposals to introduce a payment on the lines described by hon. Members, to institute a trust for those suffering, to reopen cases previously considered and/or to deal with the problems of adults? Will the 80 per cent. rule or the six-year rule be affected? Any review must consider those matters. Unless the Minister wants to follow the path of Lord Ennals and imply promises that perhaps cannot be kept, let him give us what the hon. Member for Eccles called his joined-up thinking on the issue.

10.45 am

The Minister of State, Department of Social Security (Mr. John Denham): I congratulate my hon. Friend the Member for Eccles (Mr. Stewart) on securing this debate and on raising an issue of concern to the House. It is a complex and emotive subject, and my hon. Friend spoke clearly and with great sensitivity.

I know that the matter is of considerable interest and that an all-party group on vaccine damage has recently been formed. I acknowledge the work of my hon. and learned Friend the Member for Dudley, North (Mr. Cranston)—now the Solicitor-General—who has been active on the issue since he entered the House. Although he is now a Minister, and so unable to speak in the debate, he found time to join me on the Front Bench this morning.

There were many good contributions. I hope that I will address most of the points raised; hon. Members will forgive me if I do not ascribe them to each Member who spoke. The hon. Member for Newbury (Mr. Rendel) made several important points. My hon. Friend the Member for Birmingham, Northfield (Mr. Burden) has been active in the campaign for a long time. My hon. Friend the Member for Bristol, East (Ms Corston) spoke movingly about a constituency case that she is pursuing with one of my colleagues. The hon. Member for Isle of Wight (Dr. Brand) spoke about the importance of the immunisation programme, as did several other hon. Members. The hon. Member for Brentwood and Ongar (Mr. Pickles) posed several questions.

Before I go into how the scheme operates, may I say that I recognise the difficulties that many children, and their families, must tackle daily? Like other hon. Members who have spoken, I have constituents who must deal with all the pressure on them and their families that comes from being the parent of a severely disabled child. I, too, recognise that where it is believed that a disability arises from vaccine damage, whether or not it can always be established as fact, that belief can add greatly to the sense of distress, anger and even guilt that parents may feel. In common with parents of other disabled children, many such parents grow increasingly concerned about how their children will be provided for when they become adults: they begin to wonder what will happen when they can no longer offer care in the way that they have for so long.

The national immunisation programme is, as was acknowledged throughout the debate, an important programme and the responsibility of the Department of Health. The diseases covered by it are diphtheria, tetanus, pertussis, poliomyelitis, measles, rubella, tuberculosis, mumps and haemophilus influenza type B. I should restate, although it was noted by hon. Members on both sides of the House, that the programme was introduced for a good reason.

The diseases covered by the childhood immunisation programme can lead to serious illness and be life threatening. How well vaccines work is shown by the incidence of diseases before and after the introduction of immunisation. Between 1951 and 1955, there were more than 620,000 cases of whooping cough, to which the hon. Member for Brentwood and Ongar alluded, in England and Wales, resulting in more than 1,000 deaths. Between 1991 and 1995, when vaccine coverage reached 94 per cent., there were only five deaths, and the incidence of the disease fell to much lower levels, with only 1,873 cases in 1995.

The success of mumps, measles and rubella, or MMR, vaccine has resulted in notifications of measles reaching their lowest ever levels. Measles vaccine was introduced in 1968, and by the late 1980s, notifications had fallen from a maximum of 800,000 per annum to a maximum of 100,000 per annum. MMR was introduced in 1988, and cases fell to between 10,000 and 20,000 per annum between 1990 and 1994. Slightly more than 4,000 cases were notified in 1997, and the true figure is thought to be much lower, because many reported cases were misdiagnoses. No child in England and Wales has died from acute measles-related illness since 1992. All those figures establish that the immunisation programme provides benefits not only to society as a whole but to the individual and his or her family.

After the separation of the Health and Social Security Departments in 1988, the administration of the payments scheme under the Vaccine Damage Payments Act 1979 was placed in the custody of the Department of Social Security . A payment under the scheme is not in any way a bar to any subsequent legal proceedings. It does not prejudice the rights of a disabled person and his or her family to seek compensation. Indeed, cases have been taken to court, although it is true that, to date, there has been no successful case on the issue. However, as hon. Members are aware and have mentioned in this debate, some parents have obtained legal aid to pursue their claims against manufacturers of the MMR vaccine.

Hon. Members have asked about legal aid. My understanding is that, notwithstanding the Government's proposals, the current MMR legal aid cases that have been mentioned will be protected while they continue to satisfy the eligibility criteria. The Government have made it clear that we wish personal injury cases to be funded by conditional fee agreements. I acknowledge the issues in the vaccine damage cases that have been raised in the debate, and I shall of course draw those concerns to the attention of the Lord Chancellor.

Since our return to office, many hon. Members have pressed us about the scheme. As my hon. Friend the Member for Eccles will recall, on 5 November, the Under-Secretary of State for Social Security, my hon. Friend the Member for East Ham (Mr. Timms) met representatives of the all-party group on vaccine damage for a very useful discussion. We are aware of concerns on

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time limits, the disablement threshold, the adequacy of the £10,000 payments under the 1979 Act and other matters. We are aware also that medical opinion on vaccine damage has changed in the past decade or so.

It is important to stress that no prior assumption is made about the possibility of vaccine damage in any individual case. Each claim is dealt with on its merits. However, it is important to state the current understanding of the prevalence of vaccine damage.

Reports in the mid-1970s linking pertussis vaccine and encephalitis resulting in brain damage were based on anecdotal evidence concerning a small number of affected children. Since then, several large studies, such as the national childhood encephalopathy study, have shown no scientific evidence of a causal link between vaccination and brain damage. As such a causal link remains a theoretical possibility, each claim for a vaccine damage payment is carefully considered, taking into account the facts and evidence in the individual case.

The suggestion of a link between MMR and inflammatory bowel disease—particularly Crohn's disease—and autism, has been carefully studied by several independent expert groups. None of the groups has found any evidence to support such a link. Indeed, it is often forgotten in the coverage given to the issue that the original paper by researchers at the Royal Free hospital, published earlier this year in *The Lancet*, clearly stated:

"We did not prove an association between MMR vaccine and the syndrome described".

The World Health Organisation has also written to stress the safety of the MMR vaccine and to support the United Kingdom's immunisation programme.

The United States Institute of Medicine pointed out that the background rate of encephalopathy—which is a general term used by doctors to describe a disturbance in brain function—in children under two is about five to 10 cases per 100,000 population.

Whatever the prevalence of vaccine damage, at the very least, parents of vaccine-damaged children face the same challenges as parents of other severely disabled children. The vaccine damage payment is not, of course, the only response that the Government make to meet the needs of those and other disabled people.

As a Government, we have a broader challenge: to ensure adequate support to all disabled people. Hon. Members will be aware of the significant improvements in provision for the severely disabled, of extra support for the most severely disabled three and four-year-olds and those disabled before the age of 20, and of our recent proposal in the House of a disability income guarantee, on which we are consulting organisations of and for disabled people.

The vaccine damage payment scheme provides substantial preference for children who are severely disabled as a result of vaccination over children who have been equally severely disabled from some other source. The payment does not preclude payment of other disability benefits and non-means tested benefits such as disability living allowance and severe disablement allowance. If it is held in a trust fund, the vaccine damage payment will be ignored for the purposes of income support, income-based job seeker's allowance, family credit, disability working allowance, council tax benefit and housing benefit.

Recipients, like other severely disabled people, may also be able to get help from the independent living fund and local authority social services. Perhaps the most significant recent development was the announcement, on Monday, by my right hon. Friend the Secretary of State for Health on important action to modernise social services. Specifically, the "quality protects" programme will target an extra £375 million to transform all of children's social services.

There has been a sustained campaign to improve the vaccine damage payment system. Today's debate, secured by my hon. Friend the Member for Eccles, is part of that campaign, as have been the early-day motions and the meetings with my hon. Friend the Under-Secretary of State for Social Security. I am pleased that, in July 1998, the Government were able to increase the payment from £30,000 to £40,000.

Some specific points were raised in the debate, such as that on the 80 per cent. disability criterion. I think that Parliament's view in passing the 1979 Act was that the scheme should be straightforward and aimed at those who are severely disabled. The Act defines severe disablement as disablement to 80 per cent. or more, as assessed for the purposes of determining the rate of disablement pension under the industrial injuries scheme.

In making the assessment, regard is paid to the scale provided in social security regulations. Blindness and deafness, for example, are each described as 100 per cent. disablement, although they clearly do not represent the greatest possible extent of disablement. Therefore, 80 per cent. is regarded as the lower end of the defined severe disablement spectrum.

Occasionally, people have asked about the possibility of a sliding scale of disability. I think that extension of a scheme providing significant preference for one group of people with disabilities over another would run counter to the objective of building a coherent benefits system for all disabled people, regardless of the cause of disability. A scale of disability payments would also run counter to the scheme's principle of providing a straightforward single payment for those who are clearly severely disabled because of vaccination.

Questions were asked in the debate also about time limits. Time limits in the scheme are quite generous. There is a limit of six years after vaccination or the second birthday, whichever is later, for new claims. There is no limit on the time in which a claimant may request a review by an independent tribunal of a medical disallowance of that initial claim. The claimant may request an indefinite adjournment during a tribunal hearing.

Marginal changes in the time limit would not assist in the overwhelming majority of cases. The substantial length of the process would make obtaining medical and other relevant evidence after long periods increasingly difficult, and make the scheme unsatisfactory or even unworkable. However—with the wide range of views about the incidence of vaccine damage, the adequacy of the payment scheme, the position of early recipients and

the extent to which those who suffered vaccine damage should receive preferential treatment because they were responding to a publicly promoted health programme—we announced, on 19 May, that the scheme would be considered as part of the welfare review.

My hon. Friend the Under-Secretary of State for Social Security has said that he hopes to conclude our review early in the new year. I am sure that the House will accept that finding the right answer is more important than hitting any specific date. The campaign has made a presentation on disability benefits—

Mr. Deputy Speaker (Mr. Michael Lord): Order. We must move to the next debate.

Seaside Towns

11 am

Mr. Adrian Sanders (Torbay): Having begun life as watering holes for the wealthy, many of our seaside towns first developed with the coming of the railways. Their greatest expansion came when workers won rights to annual holidays. Seaside resorts were the perfect destinations for a week of rest and relaxation. They have depended on tourism ever since.

Over the past 30 years, the type and number of holidays taken has changed. In the mid-1960s, the majority of people took one holiday a year in the summer months, when factories and other large employers closed for a week or two. Most people had a week's holiday at the seaside, because foreign holidays were beyond their purse. Many holidaymakers would travel by train, although increasing numbers arrived by car, often exhausted after a long journey on congested roads. The activities available to holidaymakers were more limited than they are today. Sitting on the beach, walking along the prom and taking in a show were the normal holiday activities.

The number of days of paid leave has steadily increased and the disposable income of many families has risen. A massive overseas package tour holiday industry has put foreign holidays within the reach of most of the population. Fortunately, many people take more than one holiday a year. Their main holiday may be abroad, but second and third holidays are usually taken in Britain. The number of second holidays taken as short breaks has grown by 50 per cent. in the past five years.

With the development of the motorway network, the car is often the easiest way to travel to a destination in Britain. People can now travel further for day breaks or short stay breaks. They can also return home more quickly, which has reduced the number of overnight stays, particularly when the weather turns nasty.

The seaside towns of Britain can be found all around the coast. Despite being miles apart, in most cases, they share similar characteristics and face similar problems. They fall into three broad groups: heritage coast areas, traditional seaside towns and smaller seaside towns. Heritage coast areas are highly valued for their amenities and have developed seasonal leisure industries and various alternative life style enterprises, together with holiday homes. Traditional seaside towns dominate their area and date from the 19th century or earlier. They are characterised by a large elderly population and higher than average deprivation. Smaller seaside towns are similar to traditional seaside towns, but the main resorts are less dominant in the area and there is a larger rural hinterland.

There are many measures of deprivation, including unemployment, children in poverty, housing, amenities, overcrowding, educational participation and attainment, benefit dependency and crime rate. The traditional seaside towns have some of the worst figures in the country, but the smaller seaside towns have some of the lowest levels of deprivation.

The difficulty in trying to assess the problems of seaside towns is that the areas are often characterised by a mix of deprived and affluent areas. The districts of Brighton, Bournemouth, Great Yarmouth, Hove, Thanet and Torbay are all among the 20 per cent. most unequal

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in England. In such cases, it is clear that pockets of deprivation are being concealed by their proximity to areas of affluence. My constituency contains five of the 12 local authority wards in the south-west that have been classified as deprived. I shall concentrate on the large, traditional seaside towns, such as my constituency, because they are the areas with the problems that the Government have overlooked.

The typical seaside town is a high retirement area, with the majority of its inhabitants being economically inactive. There will be above average levels of unemployment and below average levels of income. Poor housing and crumbling assets typify most, but not all, seaside towns. However, all have to cope with the consequences of global warming and are on the front line in the battle to prevent coastal erosion.

Mr. Ronnie Fearn (Southport): Many of the seaside resorts with cliffs and beaches suffer from coastal erosion, but the Government give nothing through the standard spending assessment to cover that. My constituency has 12 miles of sand and sandhills, most of which is a site of special scientific interest. The lack of Government funding to help cope with that is another nail in the coffin of seaside resorts.

Mr. Sanders: My hon. Friend makes a good point. The standard spending assessment does not take into account the year-on-year work of local authorities in protecting their coastline. Only when there is a major natural disaster does the Bellwin scheme come into effect. All local authorities in seaside areas have to dig ever deeper into their budget to cope with such problems. The Government do not give the necessary support for that.

Seaside towns are end-of-the-line towns—places that people go to for what they offer rather than to get somewhere else. The exceptions are some, but not all, ferry ports and some south coast towns on major east-west road routes. However, even those towns share the characteristics of the others and suffer from the same problems, although less severely.

Seaside towns could be described as 180 degree local economies, whereas inland communities are 360 degree local economies. They have hinterland on only one side, while the sea faces them on the other. Those with the most severe economic difficulties are, inevitably, a long way from the main centres of economic activity and are geographically on the periphery.

Many seaside towns are a mixture of urban and rural, deprived and affluent, residents and visitors. Their main industry is tourism, which is one of the fastest-growing economic activities in the world—but not, sadly, in our coastal tourist resorts.

Some 38 per cent. of British residents opting to take their main holiday in Britain choose a traditional seaside destination. The market is worth an impressive £4.2 billion. In 1996, more than 110 million day visits were made to the UK coast. The number of visitors has declined, but figures for their expenditure show a real-terms rise over the past 10 years.

However, that is only part of the story. The figures do not separate tourism spending in seaside resorts from the growing number of inland attractions and markets across England. They do not recognise the fact that local tourist spending does not stay in the local economy because of the growth of nationally owned entertainment centres, pubs, hotels, retailers and superstores, where once locally owned businesses rang up the tills.

Meanwhile, overseas tourism has grown and grown. Although there is little that we can do about the British weather, we should look again at the other problems that go against the seaside holiday as opposed to a foreign holiday. Many of our larger resorts are doing that—bringing in investment to new or renewed attractions, investing in improved bathing water standards, raising standards of service and accommodation, finding and winning niche markets. Most of all, they are diversifying their local economies—or perhaps I should say that they are trying to diversify them.

Diversification has become crucial. Little more than one third of holiday expenditure by the British stays in Britain. Since 1980, the figure has fallen by 50 per cent. At least one foreign holiday a year is the norm. Official figures show that, of 46 million people from Britain travelling abroad in 1997, 29.1 million said that their reason for travel was for a holiday. Most people live closer to their regional airport than to a seaside coastal resort.

The market that remains brings problems, particularly in the 1990s, when tourism is seasonal and changing. The seasonal nature of tourism affects many of the employment problems in seaside towns. Casual labour and part-time jobs are available during the short, and shortening, summer season. During the rest of the year, unemployment is widespread. Those seaside towns that have managed to get into the world of business travel have enjoyed one of the biggest growth areas in the British tourism market. However, even those towns holding conferences, exhibitions and trade fairs have bridged only a small gap between the summer and winter months and remain over-reliant on tourism.

Mr. Paul Tyler (North Cornwall): On the extensive market in business tourism, is my hon. Friend aware of the considerable discrepancy in Government grant aid to Wales, Scotland and England? Government grant aid per head of population is 25p for England—the figure shows no sign of increasing—whereas it is £4.81 for Scotland and £6.36 for Wales. That discrepancy, which is likely to increase after devolution, will make it extremely difficult for seaside resorts such as Newquay in my constituency to market new facilities.

Mr. Sanders: My hon. Friend's figures speak for themselves. The West Country tourist board is today holding a reception in the House to re-emphasise the fact that there is a disparity between England and the other parts of the United Kingdom in the amount of money that can be spent on promoting tourism.

Tourist accommodation has also changed. The market has moved from guest houses and small hotels, which used to be locally owned—and so were re-investors in the local economy—to caravans, camping and holiday homes; the bulk of visitors' spending money now ends up in the tills of superstores, whose profits do not necessarily find their way back to the local economy.

The traditional bucket-and-spade seaside holiday is not in decline, but people can now travel by air to resorts in Europe, in Florida and further afield, which, given our

climate, has led to a decline in the number of people who holiday in our coastal resorts. Although the number of visitors continues to be impressive, their lengths of stay and real spend—the amount of money that stays in the local economy—is in decline, which has been as devastating to the economies of seaside towns as the closures of large factories or plants are to inland local economies. The difference is that, for seaside towns, the decline has been occurring over 25 years rather than in one hard blow. The implications are the same; the difference is that there is no specific Government help or support.

Most of the larger seaside towns have to deal with a market that is in decline. There is an over-capacity in tourist accommodation, but owners of hotels and guest houses cannot obtain planning permission to change the use of their properties. To satisfy their lenders, they are forced into a tariff war with their competitors, charging rates that minimise profit margins. Some turn to longer-term occupants on housing benefit, which changes the nature not only of their business but increasingly of the streets in which they are based.

The number of housing benefit claimants increased nationally by 27 per cent. between 1988 and 1995, yet that figure is dwarfed by the increase of between 80 and 100 per cent. in seaside towns such as Torbay, Blackpool and Scarborough—I notice that the hon. Members for Blackpool, South (Mr. Marsden) and for Scarborough and Whitby (Mr. Quinn) are in the Chamber. That increase is the result of an inadequate housing system and a decline in the number of bed-and-breakfast customers.

Mr. Patrick Nicholls (Teignbridge): Is the hon. Gentleman aware that there is a wholly new dimension to that problem in my constituency, particularly in Teignmouth? People are applying for change of planning use on their properties so that they can attract the refugees from Europe. Are not the implications for the social and financial structures of the area so great that the problem cannot be left in a vacuum? The Government must make a public policy decision to determine how to cope with those pressures in constituencies such as mine and his.

Mr. Sanders: I agree. The problem confronts a number of constituencies such as Thanet and others on the south coast, although it is beginning to affect the south-west.

Housing can be a huge problem in seaside towns. My local newspaper recently published a report headed "Low pay, high home prices", which described the

"terraced cottages with damp streaming down the walls, the impossible-to-heat bedsit under the eaves of draughty Victorian villas, the three-bed semis with rotten window frames hanging by a thread".

A survey into the state of Torbay's housing stock found that almost 3,600 dwellings were unfit for human habitation and 8,300 households were in need of essential repairs. Too many grotty bedsits and flats are hiding behind the affluent image of the Victorian seaside hotels and villas. Exactly the same picture can be found in Brighton, Margate, Hastings and any number of similar resorts. That is a consequence of changes in the tourism market and the Government's failure to recognise our special problems.

The housing that has been built is out of the reach of the two thirds of would-be movers who earn less than £12,500 a year, which is not enough to get a first-time buyer's mortgage on a terraced house in my constituency. We must consider giving local authorities more powers to require developers to build properties that match local needs. Money for the most deprived areas of seaside towns could be raised through charging second home owners the full council tax.

Mr. Roger Gale (North Thanet): The hon. Gentleman has referred twice to Thanet and once to Margate, which I represent. He will understand that those towns have a particular problem with asylum seekers, which my hon. Friend the hon. Member for Teignbridge (Mr. Nicholls) mentioned, and with dole-on-sea claimants. One of the reasons for the problem is that, as the hon. Gentleman said, not enough money has been spent on refurbishing property. Does he agree that there is a case for a strong policy to enable small guest house owners and hoteliers properly to refurbish their properties and to turn them back either into single homes or into flats? That would mean that they did not have to let them to economic migrants but could let them as good, affordable housing.

Mr. Sanders: I agree. Part of the problem lies in the fact that VAT is levied on renovations but not on new build. Planning law needs major reform; local authorities must have greater powers in determining what can occur. As the hon. Gentleman may know, grants for renovation are available in Scotland and Wales but not in England.

Mr. Anthony Steen (Totnes): I share Torbay with the hon. Gentleman and represent half of it—

Mr. Sanders: Twenty-five per cent.

Mr. Steen: The best 25 per cent., if I may say so. The hon. Gentleman has mentioned second homes, but less than 3 per cent. of homes in the area are second or holiday homes. Is not the problem the 90,000 new houses that will be built in Devon, which the Liberal Democrat county council and the Liberal Democrat unitary authority are supporting? That development will bring 30,000 further households into Devon, but the hon. Gentleman has not mentioned it.

Mr. Sanders: I am not sure that that has anything to do with the problems of seaside resorts. The figure approved by Devon county council is substantially less than the figure that is being imposed by the Secretary of State, so the hon. Gentleman's complaint should be addressed to central Government, not to the local authorities. Perhaps he will join the Liberal Democrat campaign for numbers to be locally derived rather than imposed from the centre, as happened under the previous Government, too.

Unemployment in seaside resorts remains higher than the national average. The United Kingdom average was 4.7 per cent. in October, yet the rate is well above that in many seaside towns—8.7 per cent. in Grimsby and Brighton, Pavilion, 7.9 per cent. in Great Yarmouth, 7.2 per cent. in St. Ives, 5.7 per cent. in Cleethorpes, Scarborough and Whitby and 6.6 per cent. in my constituency of Torbay. Those figures are only slightly lower than those for the inner cities; in some cases, they are higher.

Seaside resorts have a large elderly population, which is in many ways an asset—elderly people contribute to voluntary organisations, clubs and societies that would

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collapse without them. However, the numbers have effects for which local authorities, businesses and health and social services cannot compensate. A large proportion of the elderly population are on fixed incomes—which, in real terms, are declining incomes—so the amount of money circulating in the local economy is suppressed. The extra pressures on local health and social services are not fully compensated for in Government grants and the jobs associated with caring for the elderly are poorly paid. As the number of retired people is expected to increase over the next decade, the Government need to deal with those issues.

Fundamentally, the seaside towns' problem has been that although they have had to promote tourist attractions in the most positive manner to win their annual influx of visitors, it has been a veneer. In economic terms, the truth is that all large seaside towns hide severe problems behind a facade of palm trees, flower beds and smiling, happy holidaymakers. The Government must realise that resorts have specific problems that must be addressed.

In the past, Governments in Europe have recognised declining and restructuring traditional industries, and have funded inner cities and rural areas to assist their economic regeneration. However, new tourism markets have developed which, in most cases, have won some of the business that traditionally came to resorts. We have had a double whammy. Our economies have been in decline because of overseas competition while Europe and the UK Government have funded other areas and made them into our competitors.

My local authority is organising a conference next week, backed by the British Resorts Association, titled "Resorts—Sunset or Sunrise?" It will be tourism-related, but local authority representatives from across the country will be discussing the common problems faced by resorts, what they can do collectively to improve matters and what the Government and Europe could do to assist. This is a timely conference because, in a recently published UK nomenclature of units of territorial statistics—NUTS III—gross domestic product rankings list, with which the Minister will be familiar, four of the worst 11 districts were traditional large seaside resorts. I have no doubt that the conference will call for our special problems to be recognised by the Government, and for tangible support to help the economic regeneration of coastal resorts.

We do like to be beside the seaside, we do like to be beside the sea. Our resorts are still wonderful places to visit and holiday in. In fact, they have more to offer the visitor today than ever before. However, for people who live in resorts all year round, there is a sense that economic prosperity has passed them by, that other areas with similar problems receive assistance and that we must be thankful that we live on the coast—as if that were compensation for the poorer and declining quality of life faced by my constituents, and those of many other hon. Members. It should not be this way, and I urge the Government to give us the recognition and the support that we deserve.

11.22 am

Mr. Gordon Marsden (Blackpool, South): I congratulate the hon. Member for Torbay (Mr. Sanders), not only on securing the debate—which is, as he said, timely—but on the incisive and comprehensive way in which he presented an analysis of the problems of seaside towns.

The crucial point on which to start is that such problems are, to a large extent, problems in common. Since becoming a Member of Parliament, I have met local government representatives from other seaside towns—as well as from my own—and I have found that many of the problems, such as those caused by high mobility and a transient population, are shared. In future, local authorities in seaside and coastal areas may find it more fruitful to network with authorities that are geographically more disparate than their closer counterparts inland but which have broadly similar problems.

We are discussing a long-standing problem. I have referred on another occasion to Dean Acheson's comment about Britain having lost an empire but not yet found a role. That comment dates from the era of Suez, when many of the problems of seaside towns that the hon. Member for Torbay articulated began. We are not looking at a problem that suddenly appeared, but one which is rather like the veneers on the seaside fronts which have cracked and peeled after years of exposure to adverse elements.

The problems include towns with an aging infrastructure. At the turn of the 20th century, Blackpool invested ambitiously in large building projects. Now, we are paying the price of maintaining them. Other areas with regency or 19th century frontages have similar problems. We have a problem also with the imbalance of accommodation, and the enormous demands in recent years on small guest house and bed-and-breakfast owners to install en-suite and other facilities—mostly without Government support.

We have heard about changing holiday patterns. It is worth saying that seaside and coastal economies are complex, and that many of the employers and activities along the coast which supported and endorsed seaside economies, such as fishing, have also had their problems. They have added to the difficulties faced by seaside towns. As the hon. Member for Torbay and others have said, that has resulted in problems such as the maintenance of holiday accommodation and the growth of unlicensed houses in multiple occupation. In turn, that poses a threat to the attractiveness of the resorts and to the ability of hoteliers to maintain their properties.

The impact on public health has not been appreciated fully. In a town such as Blackpool—this can be replicated in many other places—the combination of an elderly population with young, transient, larger-than-average people coming to look for part-time work, often with young children, adds to the pressures and strains on local health authorities. Another problem may be particular to Blackpool—due to the large number of visitors we get—but may be shared by other resorts. It is, simply, the number of holidaymakers who have accidents—mostly minor, but some major—and who then become a strain on the local hospital and health services. No account is taken of that when budgets are allocated.

I have referred to the need to recognise the problems created by high mobility and a transient population in seaside towns. Those should be reflected more positively when standard spending assessments are considered—particularly the pressures placed on social services and education. One must consider how we define such

problems, and the hon. Member for Torbay put his finger on it when he said that those of many seaside towns are a complex mixture. The way in which current statistics are compiled is not always helpful to seaside towns when pressing their case.

One specific example is the impact of the travel-to-work area. My constituency has a number of people employed by British Aerospace at Warton. That expands my local travel-to-work area to take in parts of Lancashire and parts of the Fylde area which have low unemployment. As a consequence, the statistics for the Blackpool travel-to-work area are not indicative of the levels of deprivation and the problems in the town centre. I hope that the Office for National Statistics will take that into account in future.

During the off-season, the central wards of Blackpool can have male unemployment levels of between 12 per cent. and 15 per cent. Female unemployment is lower, but the figures are much less reliable because many women who take on part-time work during the season do not register when the season ends. Many people who live in seaside towns, are particularly badly off in terms of car ownership, and therefore depend on public transport. Blackpool, for example, has the lowest level of car ownership in the north-west.

I am describing a combination of problems of decay and neglect, but there is one common theme; to use the cliché of the moment, we require joined-up thinking from the Government. The problems of seaside towns must not be seen as merely problems for the Department for Culture, Media and Sport, but as problems that must be addressed by all Departments. That is one of the reasons why I was particularly pleased to get the social exclusion unit from No. 10 to visit Blackpool recently to look at a range of problems.

No matter how much money, effort and enthusiasm are put into the promotion of tourism in our seaside towns, it will be as nothing unless we get the basic infrastructure into a shape that is satisfactory to residents as well as attractive to visitors.

Mr. Simon Burns (West Chelmsford): As a Blackpool Member, would the hon. Gentleman agree that his plea for the Government to consider fully the town's problems has been more than adequately dealt with by his party, which has kicked Blackpool in the teeth by no longer holding its conference there?

Mr. Marsden: It is a shame that the generally high tone of our debate has now been lowered to a partisan level. We have every confidence that our conference will return to Blackpool in the near future. The reason why we could not go to Blackpool goes to the heart of some of the difficulties that we are talking about: there is a problem with the infrastructure of the Winter Gardens; many seaside towns suffer from decaying infrastructure. It ill behoves the hon. Gentleman to make such partisan points, when his party slashed the English tourist board's budget by about £8 million, introduced crippling interest rates in the early 1990s and produced the recession that put many small hotels and bed-and-breakfast accommodation out of business.

The Government are making progress; they must produce a stable economic framework and infrastructure for seaside towns. Most important, over the past 18 months, they have taken tourism seriously and have recognised that there is a problem. The tourism strategy will be produced towards the end of the year.

There are difficulties with seasonal employment, and the Department for Education and Employment has addressed them, but I believe that seaside towns will benefit economically from many of the Government's measures, and especially the new deal, which the British hospitality industry estimated could create between 7,000 and 10,000 jobs in the leisure and tourism market. If that can be achieved, along with the increase in quality that I believe the national minimum wage will help to ensure, we will begin to make some progress.

Much remains to be done. Hon. Members will be well aware that coastal pollution must be tackled. The problem is complex, involving not only the discharge of untreated sewage. Consumers must not be hit by water companies with the full increased costs that will be incurred. We must also improve public transport links to seaside towns—as the hon. Member for Torbay said, we are out on the periphery—and it is important to revitalise the hotel and business stock.

The hon. Member for North Thanet (Mr. Gale) referred to some of the problems with asylum seekers and refugees, and I hope that the matter will be taken up with the Home Office as part of an overall strategy. It would certainly help if the Government considered sympathetically the possibility of abolishing the single room rent for under-25s, which has a serious effect on small businesses and hotels employing young people during the season on relatively low pay, because when the season ends their income drops considerably and the hoteliers and guest house owners are faced with a terrible choice: to take an enormous drop in income from rent or to put the young people out on the streets.

The Government should consider revising business rates in the light of the Department of the Environment, Transport and the Regions consultation paper. Many small businesses in seaside towns feel that they suffer disproportionately under the present regime, and a system whereby a tranche of turnover was exempted, or with a low band, would undoubtedly be beneficial.

The new opportunities fund offers possibilities. If it can help to renew green-field areas, perhaps it can do the same for sandy ones. One of the problems with seaside towns is that they have a great mass of infrastructure which is essentially aesthetic, designed to attract visitors. Piers, arcades and other such structures do not get the funding that they deserve.

It is good that from 1999 the European Union structural funding will take on board the possibility of helping seaside towns. We in Blackpool have been fortunate enough to benefit from single regeneration budget funding, and I recently opened a high-quality foyer house in multiple occupation in the centre of the town. That is precisely the sort of project for which SRB funding should be used but, as the secretary of the British Resorts Association said in his excellent paper on coastal resort regeneration,

"Regrettably, access to SRB funding is severely limited. Few resorts currently qualify for assistance and where they do, tourism related issues often fail to be recognised as meeting the socio-economic criteria necessary to access funding."

Mr. Alan Campbell (Tynemouth): Is my hon. Friend aware that, according to House of Commons Library

[Mr. Alan Campbell]

figures, less than 5 per cent. of the money allocated by the previous Government in SRB rounds 1 to 3 went into coastal towns, and less than 3 per cent. in round 4? Does he agree that that says a great deal about the previous Government's lack of support for coastal towns, and that it would be helpful if the Government were to consider including coastal towns specifically in future SRB guidelines?

Mr. Marsden: I thank my hon. Friend for bringing that information into the public arena. It is extremely important for those criteria to be taken on board in SRB bids. The new regional development agencies could take on board not only the particular problems of seaside towns but the contributions that they make to rejuvenating wider areas and acting as a magnet for employment. For example, Blackpool undoubtedly acts as a catchment area, bringing people in from the wider area of Fylde; Brighton and Hove perform the same function for east Sussex; and there is a similar effect in north Wales.

The RDAs must take on board the strategic need and consider the whole question of structural funding. I am delighted that the hon. Member for Torbay gave a plug for the conference that will address some of the issues next week.

Mr. Peter Bottomley (Worthing, West): Clearly, some of the hypothecated funding can be useful, but does the hon. Gentleman agree that seaside towns such as Worthing and many others depend mainly on the funding available to their local authorities and county councils? Is he as apprehensive as I am that the rate support grant to be announced later today will draw money away from seaside towns and put it into inner cities? Will not that be more damaging than the possibilities offered by the single regeneration budget?

Mr. Marsden: I do not have a crystal ball, so I cannot say what the announcement on the standard spending assessments will contain. Whatever the outcome, it is important that we all recognise that many of the problems that seaside towns face, the hon. Gentleman's constituency among them, are replicated in inner cities.

Mr. Ian Bruce (South Dorset): The hon. Gentleman should examine the record. He suggests help for the south-west in places such as Weymouth and Portland, but he should ask the hon. Member for Plymouth, Devonport (Mr. Jamieson) about that. The hon. Gentleman was the only Labour Member in the south-west when the previous Government gave help to those areas, and he was embarrassed when the Labour party voted against it.

Mr. Marsden: I can only speak for myself, but I would never be embarrassed by any help given to Blackpool, provided it came from a legitimate quarter. It is clear from the debate that seaside towns face complex problems, and we need a holistic response. The Government have made a useful start, and I praise the work of Ministers in the Department for Culture, Media and Sport, especially the new Minister for Tourism, Film and Broadcasting, who has taken an energetic approach to the issue. I urge the Minister for the Regions, Regeneration and Planning and his colleagues to carry through that joined-up thinking into the various initiatives that we need to consider. Most seaside towns made their mark at the end of the 19th century by a combination of enlightened municipal government working with dynamic local entrepreneurs. That buzz and excitement can be recaptured, but that requires the support, backing and understanding of central Government.

Mr. Deputy Speaker (Mr. Michael Lord): Order. Before I call the next hon. Member, I remind the House that this is a relatively short debate and a number of hon. Members wish to catch my eye. Unless contributions are brief, several hon. Members will be disappointed.

11.43 am

Sir Teddy Taylor (Rochford and Southend, East): I congratulate the hon. Member for Torbay (Mr. Sanders) on raising an important issue and doing so in a non-political way. I had hoped that that was how we would approach the matter, but we heard a silly comment from the hon. Gentleman who is wearing a red tie and sitting beside the hon. Member for Blackpool, South (Mr. Marsden)—*[Interruption.]* I am told that I mean the hon. Member for Tynemouth (Mr. Campbell), but I have never seen him before. He said that, under the Conservatives, the amount of money given to seaside towns was low, but that was because of the rules on travel-to-work areas, not the nasty Conservative Government.

My constituency of Southend-on-Sea is a lovely place to live. The Government put the borough forward for assisted area status, which was unfortunately turned down by Commissioner van Miert, who cut 10 per cent. off the Government's applications, because our unemployment rate was based on travel-to-work areas. The Government then advanced parts of Southend for what are called objective 2 grants, but that application was turned down by Commissioner Millan on the basis that Southend was not an industrial town. If the hon. Member for Tynemouth considered the issues instead of trying to make silly critical points, we might be better able to help the seaside towns.

We must consider carefully five points that are common to seaside towns. The first is that of jobs. In Southend, where I have lived with my family for 18 years, we have high unemployment. In one ward, Milton, in the centre of town, the unemployment rate is 25 per cent., compared with the national average of 4.7 per cent. In my constituency as a whole, unemployment for men is more than 10 per cent. Other seaside towns also have high levels of unemployment, whether under Conservative, Labour or Liberal Democrat Governments. However, the crucial point is that almost all seaside towns are part of larger inland areas in which unemployment levels are much lower. The seaside towns are denied benefits and grants because they are in travel-to-work areas and thus eliminated from consideration. I hope that this Government, and future Governments, will consider the possibility of making grants available to areas smaller than travel-to-work areas. It is scandalous, and contrary to common sense, that areas with high unemployment cannot be considered for help because of the rule on travel-to-work areas.

I am sure that most people in Southend-on-Sea, which is represented by my hon. Friend the Member for Southend, West (Mr. Amess) and myself—we always

agree on everything—would be glad if all subsidies could be stopped tomorrow, but we object when massive amounts of cash go to areas with far lower rates of unemployment and fewer problems. In Southend, we often debate the Hertfordshire problem, and the boss of the local further education institution has terrible rows with me on that issue. He says that we must live in the real world and employ consultants to try to get money from every source possible. He points out that Hertfordshire people are very clever and get massive grants for deprivation and unemployment although there is hardly any in the area. He says that we should learn from that and start making our case properly. However, my point is that—if we are to have grants, subsidies and such things—we should reorganise the system so that seaside towns with areas of high unemployment can be considered.

The second common point is social problems. The Minister of State will be aware that Southend-on-Sea has a happy council. The Labour party and the Liberal Democrats have a majority of one over the Conservative party, so the situation is tight. A few weeks ago, the majority parties had to close three of our old folks' homes—not because they wanted to or because they are nasty socialists or nasty liberals but because we do not have enough cash to keep them going. In the local hospital, the use of many beds is blocked, because the council cannot afford to provide accommodation in retirement homes. Seaside towns face a concentration of social problems that are not taken into account in the financing of local government. As the Minister of State will be aware, other areas dump their social problems in seaside towns such as Southend, because we have a lot of bed-and-breakfast accommodation and houses in multiple occupation. That means that we have more than our share of social problems. Our local director of social services has told me that we are still short of £2.5 million for our budget this year. That is not because the council is stupid or corrupt, but because we have a larger concentration of social problems. I hope that the Minister will bear that point in mind.

The third problem is transport. Because seaside towns tend to be at the end of the line, they also tend to be left out of road programmes. If the Minister of State visited Southend, he would see that we have horrendous traffic congestion. One large area at one end of the town, Shoeburyness, has many employment problems. Two major sites are being made available by the Ministry of Defence for development, but it is difficult to arouse interest in the properties because it is very difficult to get out of Southend from Shoeburyness. In the rush hour, it takes 40 minutes to do so and at other times it takes 25 minutes. I hope that the Government will realise that a bypass, for example, would make a dramatic difference to towns at the end of the line, such as Southend. Governments of all parties tend to concentrate on the centre of England, and of Scotland, and they do not bear it in mind that seaside towns have particular problems.

Fourthly, I want to refer to regional government. Southend has had the pleasure of escaping from Essex county council because we felt that Chelmsford was too far away. Although Chelmsford has a superb Member of Parliament, we felt that the council did not take our interests fully into account. We were happy to establish an independent republic of Southend-on-Sea, although, sadly, it is not outside the Common Market.

Having escaped, however, we resent the fact that, without people noticing it—which is the saddest fact of all—a new regional government system is being established. Our regional centre will be based in Cambridge, with a massive, costly structure. I constantly receive lots of paper—invitations to dinners, lunches, meetings, conferences—listing lots of things that regional government will be interested in doing. I believe, however, that regional government is being imposed simply because the European Union wants it throughout its whole area. That is sad and costly nonsense. I hope that the Government will carefully consider what good regional government can possibly do, not only for seaside towns but for other areas.

Finally—I have taken just over six minutes, Mr. Deputy Speaker—the Government are having a wee think about the lottery. We are distressed about the lottery. Southend has the longest pier in the world, of which we are very proud. It has a superb train, and it is very exciting to look at it. Yet the ridiculous lottery keeps giving lots of money to clapped-out piers on the basis that they are of historical interest. I am sure that there are some exceptions to that, but Southend objects strongly that although our pier is a sound, going concern, nothing seems to be done for it.

Southend is a great place to live, and if the Minister doubts that, he can read the figures published by the Department for Education and Employment yesterday, which show that our education results were 2.5 per cent. above the English average, despite our serious unemployment and deprivation. We are proud of that, and of many things in Southend. If the Government must keep establishing new organisations and giving out subsidies, they should let us have our share, although we should be happier if there were no such subsidies at all. [Hon. Members: "Oh."] I can assure Labour Members that that would be good for us.

Southend has achieved a great deal of which the town is proud. I hope that the Government will bear in mind that it, like other seaside towns, has high unemployment, a concentration of social problems and serious transport problems that are not being taken fully into account. I hope that the Government will approach those problems not by blaming the previous Government, or by saying how wonderful they are themselves, but by taking serious, urgent and sensible action, as proposed by the hon. Member for Torbay in his excellent speech.

11.53 am

Shona McIsaac (Cleethorpes): I shall start with an advert for Cleethorpes. Everyone else has been advertising their resorts, so I should advertise mine. Cleethorpes is a wonderful place with many amenities. We have a great theme park and one of the largest caravan parks in Europe. The Greenwich meridian runs through the town, although we are not putting up any dome. There is a pier, a steam light railway, a prom, amusements, a wonderful discovery centre, sands, waters that have been given a clean bill of health, and Grimsby Town football club. We also have the best fish and chips in Britain. [Hon. Members: "No, no."] They are absolutely the best.

My hon. Friend the Minister for Tourism, Film and Broadcasting visited the town over the summer to see our facilities, and to learn of the problems facing Cleethorpes. She met owners of guest houses and people who provide the amusements in order to find out what the Government

[Shona McIsaac]

can do to assist them. I can echo what other hon. Members have said by saying that as people come to Cleethorpes—mainly from South Yorkshire—they often do not see what lies behind the fun, the amusements and the prom. There are severe pockets of deprivation in the area.

Cleethorpes is part of the same urban area as Grimsby, which has one of the highest structural unemployment levels in the United Kingdom. In the North East Lincolnshire council area, deprivation is severe, and is worse than in some of the former mining communities of south Yorkshire, which provide most of our visitors. However, the size of the area, and the fact that there are affluent areas on the fringes of Cleethorpes, mean that the deprivation is largely masked. It is concentrated in only a few wards, but, as other hon. Members have said, that hidden deprivation must be addressed.

We must reconsider both standard spending assessments and all the employment problems that impact on seaside resorts. Cleethorpes is part of the same urban area as Grimsby, and the decline in the fishing industry there has had a severe impact on the area. However, the problems are more complex than that. North of Grimsby, and within the constituency of Cleethorpes, though not the town, there is a booming industrial area on the banks of the Humber where there are chemical firms, power stations and oil refineries. That, too, has an impact on our travel-to-work area, and on our unemployment statistics, so that our severe problems are not recognised.

I recently came across another quirk in my area's funding. As far as the Home Office is concerned, Cleethorpes is not a resort. There is a pier, there is water and there is sand, but we are not a resort, and we cannot, therefore, have funding to cope with the big influx of visitors who come weekend in and weekend out, and throughout the summer. That must be reconsidered. I have been given no adequate explanation of why Cleethorpes is not regarded as a seaside resort, although it is, by some quirk, considered to be on the Humber, and to be an estuary resort because there is a bit of fresh water coming into it. That is a pretty tenuous explanation. We still host the same number of visitors, and that problem ought to be addressed.

Most of the resorts that have been mentioned so far are much bigger than Cleethorpes, and they have the benefits of larger hotels and conference facilities. Cleethorpes has none of that. We cannot rely on conference trade to boost the town, and we have had to be somewhat more imaginative in promoting the resort. Things are not all that bad because we are using money from the Government, from Europe, from the council and from business. We have turned round the decline previously experienced in Cleethorpes. For about five years, there has been a lot of investment in the town.

I pay tribute to North East Lincolnshire council for its innovative work with industry on the Humber bank to create and to fund new attractions, such as the discovery centre, which has an observatory overlooking the Humber from where one can study wintering birds on the estuary. That new attraction has taken off, echoing developments in the Victorian era when councils and entrepreneurs joined forces, as my hon. Friend the Member for Blackpool, South (Mr. Marsden) said earlier.

I would like to see much more, however. Lottery funding has been mentioned, and, although Cleethorpes and Grimsby—with four recent winners—seem able to be home to people who win the lottery, the picture the other way round is different. Can we get any money out of the lottery for the town? No, we cannot. We have put in bids to regenerate the marketplace in Cleethorpes, but they have been slapped down time and again. We do not have regency terraces, and the resort is both small and more working class than others, but the marketplace still has architectural merit. We seem to be overlooked repeatedly. Awards to our part of Lincolnshire are among the lowest in the country. I shall be approaching the Minister to find out whether a lottery development worker could come to the area to see our problems, instead of simply refusing our bids out of hand.

I should like to see a change in the way in which we promote our resorts. When I go abroad I can purchase an integrated ticket which provides me with accommodation and travel, and sometimes includes entry to museums or vouchers for meals. It is very difficult for somebody coming to Britain from abroad to purchase such a ticket. That is a disincentive to people from this country as well as to overseas visitors. As I have said, Cleethorpes attracts many people from south Yorkshire so we should be trying to promote Lincolnshire resorts in the cities of that county in an integrated way.

The ferry from the Netherlands docks in Hull, just on the other side of the river from Cleethorpes, but it is rare for any people from the Netherlands to come into the resort. When I visited Thorpe park recently, which is one of the attractions in Cleethorpes, it boasted that this year it has had its first Dutch visitor. As I have said, hundreds of people from the Netherlands come off those ferries daily, but they simply bypass our seaside resorts.

12.1 pm

Mr. Patrick Nicholls (Teignbridge): As time is short, I shall restrict myself to one substantive point. I commend the hon. Member for Torbay (Mr. Sanders) for choosing the subject and for the way in which he introduced it. I also commend him for his professionalism in avoiding the intervention from my hon. Friend the Member for Totnes (Mr. Steen). It was an excellent speech.

Throughout the debate we have heard a great deal about the changing holiday patterns at seaside resorts and the fact that, behind the facade, there can be areas of real commercial and private deprivation. As a result, in Teignbridge, to my certain knowledge, there has been at least one application in recent days—I suspect that there will be others shortly—from those who have owned hotels, care homes or the like and who are now seeking planning permission to make them centres for refugees from Kosovo. Anybody who sees what is happening on the television or reads about it in the newspapers cannot help but feel great sympathy for refugees from any country. However, I am here to speak on behalf of the people of Teignmouth, not the people of Kosovo.

The people of Teignmouth are gravely worried that a substantial change in the social patterns of the town are taking place in a way that has not been planned and which, to be fair, was not intended by anyone. I can understand why somebody might see a perfectly legitimate commercial advantage and seek to exploit it, but when refugees are brought in like that, we do not

know about their status. We do not know whether they are economic refugees or genuine refugees. Whatever they are, there will be a substantial demand on local resources. It will make a difference to education, social services and housing. That is a whole new subject area that must be considered by the Government.

The problem is that, as in so many things, the Government ape our rhetoric on immigration but, in reality, the Labour party does not find it easy to bear down on immigration. Therefore, it does not find it easy to face up to some of the social consequences. Because of that, I have already written to the Deputy Prime Minister. I did not criticise the Government for not having anticipated the problem as that would be unfair and unhelpful. However, it is fair to say—I said it to the Deputy Prime Minister and I say it to the Minister today—that, even though it is not the Government's fault that this situation has arisen, it is up to them to find a solution. Even if the Minister cannot respond to me today, I hope that, if he will not adopt my words, he will at least acknowledge that there is a problem and accept that it requires some substantive thought from the Government.

I shall end on that point, Mr. Deputy Speaker, because I said that I would restrict myself in accordance with your strictures. Also, even though you are not the same Deputy Speaker who said that short speeches would be appreciated, I hope that you will feel able to note what I have said and to note in your book that, when I am called, I really do comply with the request for short speeches. I hope that that will be borne in mind for the future.

12.6 pm

Mr. Ronnie Fearn (Southport): I made an earlier intervention about beaches and I want to follow that up by relating what happened when I visited Sellafield. I am talking on behalf of resorts in the north-west, stretching from Cumbria to Wilfra power station on the isle of Anglesey. A few years ago I visited Sellafield unannounced and, while standing on top of the old Magnox reactor, I asked how much radioactive material was pumped into the Irish sea. A member of the management told me that it was a very small amount compared with about 40 years ago. That radioactive material is still in the Irish sea. All the beaches along the coast from Cumbria down to Wales are washed by the Irish sea.

Our council in Sefton, which covers Southport, asked the Government at that time for some money to monitor the beaches to find out whether there was any radioactivity. The answer from the Government was no. However, councils should monitor their beaches throughout the year. Some councils did that and I believe that our council managed to do it with about £8,000. That figure has now been slashed under the standard spending assessment. Perhaps today we will hear more about the SSA and be able to get that money back.

I hope that the Government will consider the fact that, in the north-west, and probably on the Welsh beaches, there is a problem from 40 or 50 years ago that needs to be dealt with. Some councils are aware of it and many have information on it. It is very serious. Since that earlier visit to Sellafield I have been back on other occasions and, although I have asked similar questions, I have not received the same answers.

I want just one more plug. My town of Southport has diversified. We have many conferences and a great shopping area. In Lord street there are many individual shops. The shopping areas that have grown up around Southport are beginning to pull away some of the strands from the private shopping area. I ask the Government, as did the hon. Member for Blackpool, South (Mr. Marsden), to look at the business rates, especially those in seaside resorts and in areas with individual shops.

12.8 pm

Mr. David Amess (Southend, West): I congratulate the hon. Member for Torbay (Mr. Sanders) on initiating the debate. As the Liberal Democrats support the Labour Government, I hope that they will listen to his words.

I was a little apprehensive about speaking in the debate because I do not want Southend to become known as an economic blackspot. Many Londoners regard Southend as the finest seaside resort in the country. I have only represented part of the town since 1 May 1997. My hon. Friend the Member for Rochford and Southend, East (Sir T. Taylor) has represented the other half for a great length of time. Coming to the town new, I was somewhat surprised at the seriousness of some of the social problems. That is why the local authority, which is a combination of Labour and Liberal Democrats, has produced a nine-point plan, all of which I support. We feel that we should make Southend's voice heard.

If tourism is seen to be a serious matter, it is disappointing that, during the first 18 months of the new Government, there has been no debate on it. It is appalling that the Labour party is no longer holding its conference in Blackpool. If Blackpool is good enough for the Conservative party, it is surprising that it is not posh enough for the Labour party. That is very damaging for seaside resorts.

As I have said, we feel that Southend's voice should be heard. We want the social problems to be addressed. As my hon. Friend the Member for Rochford and Southend, East has said, we have much higher unemployment than other parts of the country. We feel that the town should be supported as a family destination. It is very close to London and we are blessed with beautiful coastal views, which have inspired so many artists in our town.

We need more support to deal with the skills shortage in Southend. We want to promote the town as a sub-regional shopping centre, and we ask for the Government's support in that. We want to promote inward investment and the development of sites that my hon. Friend the Member for Rochford and Southend, East mentioned earlier. We want to improve transport links for the borough. There is not enough imaginative use of the River Thames.

We want to promote partnership working and attract national and European funds. Earlier this year I met the commissioner who has responsibility for those matters. Whatever questions I asked, I was told to work with the Government in promoting grant aid to the country, but as my hon. Friend the Member for Rochford and Southend, East has said, for many reasons we do not qualify.

Southend is a wonderful seaside resort. I am delighted to say that Southend parks department is now in the international finals of a gardening competition, and I hope that the UK, represented by Southend, will win. On Friday in my constituency, thousands of people attended the switching on of the lights in Leigh-on-Sea, and that is a very attractive part of the town. I do not want to disagree with the hon. Member for Cleethorpes (Shona McIsaac),

[Mr. David Amess]

but Southend and Leigh-on-Sea have the finest fish and chips in the world. We undoubtedly have the finest ice cream in the world. That comes from a company that is run by a Rossi.

Southend-on-Sea has a great deal going for it, but in the past 18 months the Government have not taken seriously enough the many social problems articulated by my hon. Friend the Member for Rochford and Southend, East. I do not want to be churlish, but I hope that when the Minister replies, he will consider favourably the calls from my hon. Friend and myself to support Southend.

12.12 pm

Mr. Simon Burns (West Chelmsford): I, too, congratulate the hon. Member for Torbay (Mr. Sanders) on initiating the debate and giving us the opportunity to discuss the important issue of serious, significant problems for the seaside holiday sector of the tourist industry.

We have heard speeches by hon. Members on both sides of the House who all have the distinction of representing seaside holiday towns. I suspect that only the Minister and I do not share the honour of having a seaside town in our constituencies, although I am told that maps and reports reveal that if global warming continues at its current rate, it is only a matter of time before we have Chelmsford sur la mer, rather than in the middle of Essex.

It is fortunate that my county has, as demonstrated by the speeches of my hon. Friends the Members for Rochford and Southend, East (Sir T. Taylor) and for Southend, West (Mr. Amess), a number of popular holiday resorts, including not only Southend and Westcliff but Frinton and Clacton. I see that the hon. Member for Harwich (Mr. Henderson) is in his place.

There are problems in such towns throughout the country. It is interesting to place in context the events of the past quarter of a century which have accentuated the problems that are now so acute in many of those towns, as highlighted in hon. Members' speeches.

There has been a significant increase in the business of package holidays abroad. Packaging the cost of flights and accommodation abroad allows many more people to leave this country for warmer climes to go on holiday. I suspect that one of the major incentives that caused those numbers to rise to today's levels was the abolition of exchange controls in 1979. That not only meant that more people could afford to go away because the increase in volume brought down prices through economies of scale, but enabled people more easily to spend more money abroad.

As the hon. Member for Torbay said in his opening remarks, just under four out of 10 holidays in this country are taken at seaside holiday resorts, although that is worth a significant £4.2 billion. The figures also reveal that 18.5 million holiday trips are taken to the seaside in England in a year, generating the not inconsiderable sum of £3.2 billion. However, seaside towns and the domestic tourist business are becoming more and more dependent on the home market. Less than 5 per cent. of people who come to the UK for a holiday go to a seaside town. Those towns are sustained and supported by a narrow base of visitors compared with the potential maximum.

The rosy, picture postcard idea of holiday resorts is in many cases, sadly, no longer the reality. Hon. Members have spoken of many problems, including those of housing stock and infrastructure vis-a-vis transport. Those towns are unable to compete, through no one's fault, because the UK's climate is not always conducive to people spending their holidays and their money here. If one wants two weeks of almost guaranteed sunshine and warmth, one does not choose Britain every year. If this summer was anything to go by, I am fearful of what will happen next year because many people do not want to sit on a windy promenade in drizzle or pouring rain when they could be using their bucket and spade on the Costa del Sol or in other parts of the world.

Mr. Peter Bottomley: Would it not be a good idea for the Prime Minister to spend a week of his holiday in a British resort? Perhaps he could draw by lot if he does not want to come to Worthing. For him to take his holidays in other countries is a slap in the face to our seaside towns.

Mr. Burns: My hon. Friend makes an extremely cool intervention. I hope that the Prime Minister pays attention to that point. Although my hon. Friend has plugged his own constituency, Conservative Members believe that the Prime Minister is free to choose to spend his time with his family in one of the many holiday resorts in this country.

The issue of asylum seekers was raised by my hon. Friends the Members for Teignbridge (Mr. Nicholls) and for North Thanet (Mr. Gale). Asylum seekers and social security claimants are increasingly moving to seaside holiday towns, using their accommodation and causing ensuing problems. As my hon. Friend the Member for Teignbridge said in his excellent speech, nobody blames the Government for that, but it is important that the Government treat it as an urgent matter and come up with constructive ways to alleviate the problems experienced by my hon. Friends' constituents.

I want to raise two economic matters that adversely affect many seaside towns and which were not mentioned by Labour Members. The first is the impact of the high pound on the tourist industry in this country, including holiday seaside towns. People who might otherwise choose to spend their holidays in this country are discouraged by the disproportionate cost compared with earlier times when exchange rates were not so high. The second point is the minimum wage, which will adversely affect many hoteliers and businesses.

Mr. Lawrie Quinn (Scarborough and Whitby): Will the hon. Gentleman give way?

Mr. Burns: No, because I want to leave the Minister enough time to reply.

The minimum wage will adversely affect the tourism industry in particular. I wonder whether the Government fully appreciate what the impact will be, not only on the industry, but on employment levels.

Mr. Quinn: And disposable incomes.

Mr. Burns: The hon. Gentleman mentions disposable incomes. When the minimum wage is introduced and we witness its impact on the tourism industry in the form of job losses, it will not be warmly welcomed. The hon. Gentleman's remarks may not be as popular then as they are now.

My hon. Friend the Member for Rochford and Southend, East mentioned the problem of higher unemployment rates, especially in the winter months—because, of course, the tourism industry is largely seasonal—for people living in those towns, and the strains and problems that it imposes on communities.

I could say much more, but I should allow the Minister to answer—as I hope he will—the points that all hon. Members have made in this important debate.

12.21 pm

The Minister for the Regions, Regeneration and Planning (Mr. Richard Caborn): It has been an interesting debate, to say the least. I remind the slightly more right-wing Conservative Members who represent Southend that, before the past 18 months, their party was in government for 18 years. In the debate, they probably asked for more handouts for Southend than were asked for by all my hon. Friends put together—and the Conservatives are the ones who do not want subsidies. When the hon. Member for Rochford and Southend, East (Sir T. Taylor) reads *Hansard* tomorrow and reflects on his speech, he will see that he has gone against everything that he has preached in the House for the past 20-odd years.

I congratulate the hon. Member for Torbay (Mr. Sanders) on securing the debate. I know that the issue of economic problems facing seaside holiday towns is close to his heart. I was extremely grateful to have the opportunity on 8 October 1998 to visit his constituency, where I saw at first hand the problems confronting Torbay, and discussed with a wide range of stakeholders in the area possible pathways out of those problems. The hon. Gentleman might have mentioned the fact that I visited Torbay that day, as I believe that I did so at certain people's invitation.

I know from my visit that Torbay council is very concerned about European structural funds, and has a keen interest in assisted area status. When I visited Torbay, I heard the unfortunate announcement of the partial closure of Nortel's plant, which, obviously, will have a considerable impact on unemployment in the area. We should remember that changes in the structures surrounding seaside resorts may have devastating consequences.

The speech by my hon. Friend the Member for Blackpool, South (Mr. Marsden) showed that the Government are trying to deal not only with the symptoms, but with the deep-rooted causes of problems. We believe that it is important that town centres are vibrant and active. That is why, in our planning regime, on PPG6, we have taken a tough line on the application of the previous Government's planning guidance. We want to ensure that town centres return to life, and we believe that retailing is one of the driving forces of that process.

I assure the House that, on PPG6, I shall take a very tough line on applications outside towns and cities. That imperative was brought clearly to my mind in relation to Torquay, and Torbay generally. Unless that issue is addressed correctly, it will be difficult to achieve the other structural changes that the hon. Member for Torbay mentioned.

We want competition in town centres, and we shall take into consideration some of the arguments that have been made about rating regimes and grant regimes, to ensure that we achieve what we call the "urban renaissance". That applies as much to seaside resorts and town centres where tourism is important as it does to other town centres.

We have embarked on root-and-branch reform of the land use planning and transport planning of this country. On 14 January 1998, I issued a document on the modernisation of planning. We are systematically considering every part of the land use planning structure in England. Part of that document, on which we have widely consulted, is on regional planning guidance. It is important that we achieve the overview that is necessary to link spatial, land use and transport planning, and we are doing so by strengthening regional planning guidance. It will not be a top-down process; it will be very much bottom-up.

At this moment, in the south-west, those issues are being discussed with local authorities; they will then be discussed by the south-west regional planning conference. A strategy will be developed, which, I hope, will be submitted to public examination later in the year—probably, in the autumn. That will give the opportunity for people to factor in their concerns on transport, spatial or land use planning issues. I hope that the results will be positive.

Questions have been asked on household growth. To hear them, one would suppose that the Government were bringing about increases in population or making social changes; they are not. As has been said many times from this Dispatch Box, solutions must be found to the problem of household growth. We want to plan and manage, not "predict and provide". The regional planning conferences will address those major issues when they hold public hearings in their regions.

In September, I launched the bidding guidance for round 5 of the single regeneration budget. We believe that to be an important instrument for tackling social exclusion and promoting equality. I changed the guidance and, I hope, steered it towards need and away from the fairly crude competition that had prevailed. I also instituted a division in the SRB. Eighty per cent. of it will go to the major deprived areas—about 65 local authority areas, identified using the four deprivation measures of the 1998 index of local deprivation.

In September, we also said that we would tackle pockets of deprivation in other areas, especially in coastal towns. Twenty per cent. of the SRB—a spend of about £3.8 billion over the next three years—has been made available for that purpose. Local SRB partnerships were invited to submit by last Friday initial bids for funding—known as expressions of interest—to Government offices for the regions. I am pleased to say that 44 of those bids include proposals for regeneration of seaside towns. I understand that one of those bids is for regeneration in Torbay—an area that the Government office for the south west highlighted in the SRB round 5 regional framework.

Mr. Nicholls: Will the Minister give way?

Mr. Caborn: I shall not give way; I have only two minutes to go.

Mr. Nicholls: On asylum seekers.

Mr. Caborn: I believe that the question on asylum seekers was answered by my right hon. Friend the Home

[Mr. Caborn]

Secretary when he made a statement to the House, either last week or earlier this week. Unfortunately, I was not in the House at the time. If hon. Members want to take that matter up, it would be far better for them to take it up with the Home Office.

Round 5 of the SRB has been restructured, and we want to ensure that it is targeted on the areas that have been highlighted in the debate.

Scathing remarks were made about the regional structure that the present Administration will introduce. I remind the House that we are introducing the regional development agencies because not one region in England outside London is performing, in wealth creation terms—in gross domestic product per capita terms—to the level of the average of the European regions. If wealth is not created, it cannot be recycled—in a seaside town or elsewhere.

Business-led boards of 12 people will consider structural weaknesses, in terms of wealth creation, in our English regions, including seaside towns. The boards will consider the underlying problems of the United Kingdom, and England in particular. That regional structure will at least fill the policy vacuum, ensuring that we can create wealth much more effectively than hitherto. That is the legacy of the past 18 years. We have tried to rectify it in 18 months.

Mr. Deputy Speaker (Mr. Michael J. Martin): Order.

Aid (Burundi)

12.30 pm

Mr. Hilton Dawson (Lancaster and Wyre): I am delighted to be joined in the debate by my hon. Friend the Member for Bethnal Green and Bow (Ms King). Together with the hon. Member for Tatton (Mr. Bell), who cannot be present today, and the estimable Victoria Scott of the United Nations Children's Fund, we visited Burundi in July and early August this year.

The children of Burundi need help. Anyone who can read and reflect would know that. Burundi is the most densely populated country in the poorest continent on earth. The country is riven with civil war: 200,000 people have been killed since 1993, and there are 294,000 refugees living in neighbouring countries and 500,000 in displaced persons camps within the country. On top of all that, sanctions have been in force since 1996, making the price of food and the transport of medicines more expensive and threatening the cold chain for vital medicines and health supplies.

In that country, 40 per cent. of children under three suffer chronic malnutrition, and 20 per cent. of children die before the age of five. There are 400,000 children in acute distress, many of them homeless, without access to basic health services or education, and there are 20,000 unaccompanied children.

We know that the children of Burundi need help because we saw that with our own eyes earlier this year. "Unaccompanied" is such an inadequate description of the raped and robbed, malnourished, shoeless, scarred, traumatised children whom we met. We met some of the 20,000 children who will sleep out on the streets of the capital, Bujumbura, tonight.

I have children of my own and have worked with children in this country for decades. I have never seen anyone so avid for learning as some of the girls crowded into a tiny classroom at the street children project which finally, after a very long week, made me weep.

In the midst of abject poverty, malnutrition and the horrendous circumstances of those uprooted from their homes and land—we heard of teachers who had been killed for being teachers, and of schools and hospitals targeted for destruction—we met extraordinary courage and resilience. We were greeted everywhere with drums, singing and dancing, and we occasionally joined in.

In Cibitoke, along a road where aid workers had been murdered only a week before, and where a group of women from Great Britain and Ireland steadfastly got on with the job of feeding starving children, I met a young man who introduced himself to me as Jean Jacques Rousseau.

Burundi is a beautiful country, and I believe that there is hope for it. That hope is reflected in the spirit of the people, who before the crisis in 1990 had vaccinated 96 per cent. of the populace; in recent increases in primary school enrolment; in the numbers of people who have returned to the country to get on with their lives; in the work of UNICEF, which was our host, and of the aid agencies which, even since our visit, have improved tracing systems and developed a new shelter in Bujumbura for the homeless children whom we met; and in the work of so many Burundian people, who want to make progress with peace and reconciliation.

I know that there is hope, too, in the enormous good will and commitment of people in Britain. That hope is well expressed in the £39 million made available from this country to Burundi since 1994, but Burundi needs more. The children of Burundi need peace to emerge from the Arusha talks. They need the sanctions to be lifted, and the artificial distinctions between humanitarian and development aid to be erased. They need more help. The word "need" is cast around recklessly in this place, but not in this debate. The children of Burundi need more help, and they might feel more comfortable if it came with no strings attached, from a country that was not part of their colonial history.

Next year Burundi and the United Kingdom, separately, are due to report to the United Nations on their implementation of the United Nations convention on children's rights. Two days ago our extremely wealthy country did something magnificent for our most dispossessed and vulnerable children, with the creation of regional children's rights commissioners for children living away from their homes in this country. It would be a great and fine thing to do even more for Jean Jacques Rousseau and all his mates in Burundi.

12.36 pm

Ms Oona King (Bethnal Green and Bow): I thank my hon. Friend the Member for Lancaster and Wyre (Mr. Dawson) for applying for the debate, which is desperately needed. I also thank my right hon. Friend the Secretary of State for the Herculean efforts that have been made to raise awareness of the issues facing children not just in Burundi, but in the entire great lakes region. Burundi's past and future are inextricably linked to the continuing crisis in that region.

Children in Burundi are at the sharp end of the conflict. Forty per cent. of children under three suffer from malnutrition. There is a crisis of huge proportions, which my hon. Friend and I witnessed when we visited the country as guests of the United Nations Children's Fund.

I shall give one example of what I saw there, to illustrate how women and children in Burundi are being affected by the crisis. We visited a prison, where I spoke to some women prisoners. One of them was a young woman called Elaine. She was 28 years old and had two children—a three-year-old daughter and a seven-year-old son. When her area was attacked following rebel activity, Elaine was eight months pregnant. She fled with her husband to an internally displaced persons camp. There she was arrested for taking part in the activities of a religious order—perhaps a sect or even a cult. After I had been in Burundi a while and seen the deprivation there, I thought that even I might end up in a religious sect or cult, if there were no other way out of the prevailing misery.

Elaine was subsequently put in gaol, because the Government in Burundi were not happy that the religious sect would not take orders from them about where it should be resettled. When I spoke to Elaine, I asked her which was worse—the IDP camp or prison. She looked at me and said, "They are both the same; it makes no difference." She was correct. For someone in her situation, it makes no difference. There is no future for her or her child unless we work at an international level to put pressure on the regional Governments so that sanctions are lifted, some measure of peace can be brought to the region and people can be resettled in homes of their own, rather than having to drag their children from pillar to post, or from an IDP camp to gaol. Only the younger child was put in gaol. When Elaine's husband visited her with the elder child, now aged seven, she asked whether he could stay with her in gaol, because she felt that he would have a greater chance there of securing one meal a day.

What I discovered after a week in Burundi was that imprisonment has many forms. Gaol is just one of them. My right hon. Friend the Secretary of State has set herself perhaps the most difficult task faced by any politician in government: to eradicate poverty. Targets are set, but only when we visit countries such as Burundi do such targets spring to life and really mean something. People can find ladders to take them out of poverty, if they are given the opportunities that they are currently denied.

I was struck by another stark truth. We tend to imagine that we are embarked on an onward march in historical terms. Only recently—between 1990 and 1997—poverty in Burundi's rural areas has increased from 35 per cent. to 58 per cent., and in urban areas it has increased from 32 per cent. to 66 per cent. That is not progress.

How can we make progress? It will require political will. I understand that the Department is considered to be at the forefront of the battle to generate the political will that has been sadly lacking in the international community thus far. The lack of political will was most strongly demonstrated during the genocide in Rwanda: no one was willing to lift a finger to stop it. We saw the effects in Burundi, for the whole region is interrelated. Many of the people who were displaced from their homes in Rwanda following the genocide were people whom we met in Burundi—and vice versa: I found the same when I visited Rwanda.

We need a regional solution to the crisis. The Department must be able to use the political will that it is already generating. During the recent visit of the Select Committee on International Development to the United Nations headquarters in New York, many people told us that the fact that someone of ministerial rank was pushing the necessary policies—not just in Britain, but throughout the world—had, for the first time, made a real difference. We need more of that. I think that we have cross-party support in the House, but we need to secure the same support in the country. People must understand that poverty is a real prospect for children in Burundi. During our visit, we saw children who were not allowed into feeding centres because they did not weigh less than 70 per cent. of what was required in terms of their body:height ratio. Children had to be on the verge of death to get what they needed.

That brings me to the difficult issue of humanitarian aid versus development aid. We should consider what it means for children, and how we can promote sustainable development. When we examine the regional problems caused by sanctions, it is instructive to note what they mean on the ground.

We visited a feeding centre where vaccinations were given. Burundi used to have one of the best vaccination rates for children in Africa; now, although the vaccinations themselves can continue, because of the sanctions it is not possible to have refrigerators in which to keep the vaccines. We need to consider the practical ramifications of sanctions, and the way in which they are damaging children in Burundi. Many young

[Ms Oona King]

adults who were children when the crisis began have fought in the continuing conflict. They desperately need this country, and other countries with power, to take account of children's problems.

I thank the Department for giving a lead and galvanising the international community. The good will that Britain has built up is, as I have said, desperately needed. I thank my right hon. Friend the Secretary of State for all her efforts, but more practical efforts are needed to help those like Elaine and her two children, who currently remain in Bujumbura gaol with not a hope in hell of escaping poverty—even if they escape the gaol itself.

12.46 pm

The Secretary of State for International Development (Clare Short): I am grateful to my hon. Friend the Member for Lancaster and Wyre (Mr. Dawson) for raising this important issue, and to my hon. Friend the Member for Bethnal Green and Bow (Ms King) for what she said.

It is appropriate that we should discuss such an issue within a few days of our commemoration of the 50th anniversary of the universal declaration of human rights. We should pause to think about how far we must go before we have honoured the commitment that we made when we signed that universal declaration—to secure, through our efforts, all human rights for all. That includes rights to education and a decent livelihood. In fact, we have a long way to go. I hope that the next 50 years will see a real commitment to the delivery of all human rights for all, and that we will do rather better than we have in the past.

It is clear from what both my hon. Friends said that they were deeply moved by the plight of the children whom they met when they visited Burundi. My hon. Friend the Member for Lancaster and Wyre was particularly moved by his meeting with Jean Jacques Rousseau. My hon. Friends graphically described the suffering and bravery of the children; it is terrible that so many lives are being destroyed and traumatised by the conflict. But—as my hon. Friends know, and as the House knows—many more children are in the same position. The delegation could have visited 50 countries that were either engaged in or emerging from armed conflicts, and seen children suffering in the same way.

The sad truth is that an important change has taken place in the world which has not been fully appreciated by those who discuss defence matters. In the post-cold war world—apart from the tragedy of the Balkans—war is overwhelmingly a feature of the poorest countries, and is breaking out within countries rather than between them. The bulk of the victims are women and children, and massive refugee movements are resulting. There are more refugees in the world than ever before. The vulnerable people whom my hon. Friends met in Burundi—particularly women and children—are, in the post-cold war world, the principal victims of war.

The figures are terrible. It is estimated that 2 million children have been killed in armed conflicts since 1987, and that three times that number have been seriously injured or permanently disabled. As many as 200,000 children currently serve as child soldiers in wars around the world. More than half the world's 50 million refugees and internally displaced people are children. Millions of children have lost their parents, their education and their childhood to war; millions have been psychologically damaged and socially scarred.

We believe—and international conventions entrench the principle—that children should have no role in warfare, and should not be its victims. These basic norms must be accepted by all countries, and we must all do better to secure the commitments to which we are signed up in theory in the international system, but are not so good at delivering.

To that end, in June—during our presidency of the European Union—we hosted a symposium on children affected by armed conflict, to generate high-level support for the rights, protection and welfare of such children and to identify concrete steps that Governments could take to help Mr. Olara Otunnu, the United Nations Secretary-General's special representative for children in armed conflict, to translate Graca Machel's report for the UN on this issue into an agenda for action so that we get better at protecting children from the effects of warfare and restore to them the normal life of children.

My Department has been working on that since the symposium, and UNICEF—the United Nations Children's Fund, which hosted the visit of my hon. Friends to Burundi—obviously has a key role to play. Both my hon. Friends saw its work during their visit. We have helped to fund work there and elsewhere in the great lakes region, but we also want to support the organisation strategically, to strengthen its capacity at central, regional and field level to speak out on behalf of children in conflict and to implement better-targeted programmes for protecting children and mitigating their involvement in conflict.

These issues have been at the heart of discussions that my officials have had recently with UNICEF about how we can work together to strengthen that work in the organisation worldwide. I met Carol Bellamy last week in London, and she said how much she values that work.

As my hon. Friends have said, the plight of Burundi's children is particularly shocking. UNICEF estimates that about 400,000 live in acute distress; they are often homeless and without access to basic health services or education. More than 20,000 children have no one to care for them, and, in respect of Africa's traditions of the extended family, that is a signal of how many people have lost their lives.

The situation of children in Burundi is deeply influenced by the on-going civil war. Above all, Burundi's children need peace. Without peace and greater security, they will not be able to rebuild their lives, go to school and have something of a normal childhood. That is essential, if they are not to live out their lives raising another generation that is bound up in the ethnic hatred, genocide and warfare that have scarred that region of the world since independence, if it can be called that.

We hope that some progress is in sight, and we have been working for that. As my hon. Friends know, former President Nyerere of Tanzania and the regional leaders have been working hard to promote political dialogue in Burundi. The Arusha peace talks, which are scheduled to end in mid-1999, are committed to addressing peace, democracy and governance issues.

Conflict prevention and resolution was a theme of the EU Development Council, which I attended on Monday. On Sunday evening, Mwalimu Nyerere joined the EU

Development Ministers for dinner. He told us that work is continuing in preparation for Arusha IV, which will take place in January. More so than in the past, he is positive about progress at Arusha. We talked about economic sanctions—one of the issues that both my hon. Friends raised—which, as they know, the regional leaders imposed on Burundi in July 1996. As they also know, we are trying, across the world, to strengthen regional capacity to bring peace, because it is obviously impossible for any set of countries to do that worldwide.

There is no doubt that the sanctions have produced genuine hardship for the poor, including children. Despite efforts to exempt humanitarian aid items, Burundi's health and education systems have been badly disrupted. Mwalimu Nyerere firmly believes that sanctions have encouraged President Buyoya to approach the Arusha talks seriously and he told us—this is the good news—that he is ready to recommend to regional leaders the suspension of sanctions.

At last, we can look forward to the suspension of sanctions. They might be restored if things deteriorate, but if things improve, they will be gone. That is the proposal.

Mr. Dawson: Is there any time scale for the proposal to suspend sanctions?

Clare Short: As I understand it, the Arusha talks are due to begin in January and will be completed by the end of the year. I understand from former President Nyerere that he is willing to make such a recommendation, I think in the early part of the talks. The time scale will be fairly brief, provided that all goes well and the Government of Burundi come to Arusha, which we have every reason to expect. At last and thank heavens, we are looking at imminent progress.

Movement on sanctions will enable Burundi to begin to discuss the resumption of development support from the international community. There has been lots of support, and we played a part, but the tragedy is that, although emergency humanitarian assistance is absolutely essential in war, it simply props people up as the war goes on, their livelihoods are destroyed and their families killed. Whenever we can, we want to get to development assistance and beyond emergency humanitarian assistance.

At a meeting in Ottawa in August hosted by the Canadians, donors discussed the possibility of implementing an expanded programme of humanitarian assistance for Burundi, but that would limit assistance—this is all part of the regional leadership's efforts to achieve peace through the talks—to support for non-governmental organisations and UN agencies. We believe that that is a welcome step forward, but it is a second-best option. The Government of Burundi need support to help them to develop economic and social frameworks which can start a process of equitable economic and social development.

To prepare for that, we have encouraged the World bank to help to draw up a transitional strategy, and we are keen to get behind that. Since 1993, Britain has provided more than £38 million of humanitarian assistance in Burundi, but we are keen to move to the next stage—reconstruction, peace and getting the country moving. Historically, we are not a big donor or contributor to Burundi, and it is impossible for us as one country to work effectively everywhere. We are trying to get an international system that can work effectively everywhere.

We are willing to play our part in the reconstruction effort, but we will put particular emphasis on working with the multilateral agencies—the World bank and the EU—and the UN agencies to get a reconstruction programme that is as effective as possible so that those children, and Jean Jacques Rousseau, can look forward to a return to childhood and an education, and to growing up and having their own children without ethnic hatred and war savaging their futures.

As my hon. Friend the Member for Bethnal Green and Bow said, the situation in the great lakes is particularly tragic. We in Europe, scarred as we were at the end of the second world war by the experience of genocide, have seen it replayed in the great lakes and, to the shame of the world, failed to intervene to prevent another genocide. We have special historical responsibilities to try to secure an improvement of life for the children and people of the great lakes. We are doing all that we can to try to make sure that things improve, and the report from former President Nyerere in Brussels on Sunday night suggested that, at last, we can look forward to considerable progress.

Audiology Services

12.58 pm

Dr. Jenny Tonge (Richmond Park): Many people in the House may know that I am totally deaf in one ear. I make no secret of that; I have always found it quite useful to be able to turn a deaf ear to three teenage children and their music at 2 o'clock in the morning; to aircraft noise, which plagues my constituency; and—dare I say it?—to the House of Commons, on occasion.

I also share a few of the problems faced by people who are deaf in both ears, and they are getting worse. Three out of 10 people aged over 55 have this problem. Ten years ago, the Medical Research Council institute of hearing research revealed that there are 8.7 million deaf and hard of hearing people in the United Kingdom. Given our aging population, that figure is probably much higher now. The MRC reckoned that 5 million of those deaf people would benefit from a hearing aid, yet two thirds of them have never tried one.

Every Member of Parliament represents an average of 4,500 constituents who are missing out because they cannot hear very well. They are missing out on enjoying and making the most of life. Hearing problems can affect work, family and social life. They reduce confidence and create stress. People may struggle on with their lives, but they become increasingly isolated.

In a recent report, the Royal National Institute for Deaf People gave several examples, one of whom was a 58-year-old man, Maurice Strong, who lives in my borough. Before he had a hearing aid, he went out of his way to avoid conversations, but now he will talk to any one. He highlighted how hearing loss affected his marriage. When chatting with his wife, he found it increasingly hard to hear what she was saying. We all have that problem. He said:

"I was forever getting the wrong end of the stick which she thought was deliberate."

Sometimes it may be, but in his case it was not.

"I'd accuse her of mumbling and we'd end up arguing."

That would ruin their weekend. He also faced stress in the workplace. As a security operator, he was worried that he would not hear sounds. He said:

"I got so tired trying to compensate for my hearing problems. I'd come home in the evening, have my dinner and just fall asleep."

That is also a common problem, whether people are deaf or not, but the deaf suffer more stress during the day than the rest of us.

There is no need for these problems to occur. The RNID is having a publicity campaign to highlight the seriousness of deafness. For a start, we must take hearing tests as seriously as eye tests. A MORI poll carried out for the RNID revealed that only 22 per cent. of people over 55 have had a hearing test in the past 10 years, whereas 87 per cent. have had their eyes tested. That is in spite of the fact that almost half the over-55s have a hearing loss. Like sight defects, hearing problems often herald a more serious disease.

People do not get their hearing tested as a matter of course as they get older, as they do their eyes. We must overcome that fundamental problem. Wearing a hearing aid should be as acceptable as wearing glasses. Perhaps we should also stop making fun of people who are deaf. It is easy to do that: it is the Cinderella of afflictions. People with many other afflictions receive sympathy, but the deaf are laughed at, so we must try to change public attitudes.

If change is to occur, it must start with what is said—or often not said—in general practitioner surgeries. A significant number of people who consult their GP about a hearing problem are not referred for a hearing assessment. When I was a GP, I may not have heard what my patients said, and should perhaps have been referred at the same time. If people are not referred for a hearing assessment, they do not get a hearing aid. GPs play a crucial role in finding the one in five adult patients who are hard of hearing.

In the past year, the RNID has taken steps actively to support and inform GPs in carrying out this task. In June, it mailed 39,000 GPs in England, Scotland, Wales and Northern Ireland to give them warning of the possible increase in the number of patients requesting a hearing test. GPs were sent leaflets explaining the campaign to get them to ask all patients over 60 whether they are experiencing problems with their hearing. The aim is to persuade GPs to introduce the topic, and to refer patients for hearing assessments sooner rather than later. That is plain common sense, because the sooner people get a hearing aid, the more likely they are to get the best out of it.

GPs were also given a guide—a scratch pad—so that they would know what questions to ask if they were unclear. So far, more than 2,000 GPs have requested further information. That shows the widespread support for the campaign among GPs, and the lack of advice and information that they have so far been given by the national health service.

There is a limit to what the RNID can do. Indeed, the charity has already achieved more than the Department of Health. The Department must ensure that changes occur in audiological services. At present, the quality of service in an area is too dependent on the resources and priority that a local NHS trust gives to audiology. Waiting times, staffing levels, the range of aids available and the standard and quality of follow-up and rehabilitation are too variable and inconsistent. As in other areas of the NHS, it is diagnosis and treatment by postcode.

The time a patient has to wait for a hearing test varies. In some places there are hardly any waiting lists, whereas in others people may wait months. In London, people wait 15 weeks on average for a hearing test at the Central Middlesex hospital, but only 14 days at the Edgware and Hillingdon hospitals and the West Middlesex university hospital. Across the United Kingdom, the minimum wait for a hearing test is three days, and the maximum wait is a staggering 78 weeks.

It must be stressed that obtaining a hearing test is only the first hurdle that people must overcome. People are frequently embarrassed about their hearing loss, and more often than not they deny that there is a problem. The last thing they need is a lengthy wait to obtain a hearing test. There are too many psychological barriers to obtaining a test, without the NHS creating even more.

We construct barriers—in some cases, at every stage of the process of obtaining a hearing aid. Even after the long wait, many patients face a further long wait to obtain the appliance. In some places, the waiting time for a hearing aid is only a month or so; in others, the wait may be almost a year. In London, waiting times vary from a

same-day service at the Royal London hospital—why it can achieve that and no other hospital can, I do not know—to a 364-day wait in other hospitals. A further difficulty may face patients. Following a hearing test, they may be offered only one hearing aid when they need two. Hearing aids are rationed.

The level of undetected hearing loss is immense, and in many areas there are serious problems with NHS audiology services. In considering those two basic facts, surely we cannot escape the conclusion that some initiative is required from the Government. I would welcome an announcement from the Minister that the NHS will rise to the challenge of working hard to reduce the number of people who are not benefiting from hearing aids. That figure is 3 million, and nothing helps concentrate the mind more than the setting of a target. I agree with the RNID that we should aim to reduce the figure to 2 million in the next five years. That is a modest target. What is the Minister's view? Will he consider a target being set by his Department?

It is reasonable that, once people have been referred by their GP, they should not have to wait more than a month for a hearing test or more than two months for their NHS hearing aid. A further target which should be considered by the NHS is the provision of a greater range of hearing aids. Digital technology is developing rapidly, but digital aids are rarely available on the NHS. In other areas of medicine and surgery, modern technology has almost taken over from the surgeons and physicians. How long will it be before national health service patients benefit from the new technology of digital hearing aids?

I look to the Minister to recognise publicly the serious problem that is faced by people who are deaf. It is no exaggeration to say that deafness can wreck marriages, stall careers and make people socially isolated. It needs to be remembered that, although the problems that are caused by unrecognised deafness can be immense, the average cost of fitting the present NHS hearing aid is only £90. Few NHS treatments come as cheap as that.

I understand that there are ever-increasing demands on the NHS—indeed, that is why my party consistently asks for a debate on national priorities in the NHS—but quality rather than the length of someone's life is the most important factor; quality of life is what we should look at. Increasing deafness destroys quality of life. I beg the Minister to improve our services for those.

1.11 pm

The Parliamentary Under-Secretary of State for Health (Mr. John Hutton): I congratulate the hon. Member for Richmond Park (Dr. Tonge) on securing time for this important debate and on her constructive and thoughtful comments. She is right to point out that hearing impairment is the second most common disability, next to mobility problems, in the United Kingdom, and that it is estimated that there are 8.7 million deaf or hard-of-hearing people in the UK. That means one person in seven has a hearing impairment. As she was right to stress, hearing impairment is not a feature just of old age. In the UK, 1,000 children are newly diagnosed annually as having a permanent hearing impairment.

Audiology services are, in some ways, a unique part of the NHS—they span all ages from children to older people; they support patients through diagnostic tests, rehabilitative care, and treatment through equipment, rather than medication; and staff often maintain links with patients throughout their lives. Audiology services provide a continuing health care service.

Like all services, audiology services should not stand still. Having recently started some work on hearing aid services, we are aware that some aspects of audiology services are not managed as well as they should be. To explore that, we established a working group to take a closer look at hearing aid services. The group's initial findings show that we need to take a broader look at audiology services, particularly their role in the community and the part that they play in a modernised NHS.

Our commitment to the new NHS includes fair access to consistently high-quality, prompt and accessible services throughout the country. That applies to audiology services in exactly the same way it does to other NHS services, but it is important that the NHS does not do that in isolation from other services. Partnership is the key to developments where services, such as those for hearing-impaired people, are provided by health departments, social services and, for children, education departments.

As the hon. Member for Richmond Park will be aware, the Government are committed to developing a new agenda, encouraging closer co-operation between social services and the NHS. It is one way in which we will be able to develop a much more effective service for patients and service users.

On social care provision, in September 1997, the social services inspectorate published a report entitled "A Service On The Edge". I do not know whether the hon. Lady has read the report, but its findings were not encouraging. The needs of deaf and hard-of-hearing people were often not properly assessed, consultation with users was spasmodic, and senior managers and councillors sometimes gave insufficient emphasis to that aspect of services. In some areas, the links between audiology units in hospitals and social services were not well developed.

Although that picture was depressing, the Department of Health was also made aware that there were examples of good practice in some parts of the country. As a follow-up to the inspector's report, the Department has decided to produce material to help social services departments and others to improve their services to that user group.

It is vital that NHS audiology services do not work in isolation from other parts of the community. To underline our commitment to partnerships between health and social services, in September we issued a joint publication, entitled "National Priorities Guidance", to both health and social services authorities. Links between audiology departments and social services departments, such as "one-stop shops", and making patients aware of the benefits of environmental aids such as loop systems can help to make such partnerships work to the benefit of patients.

In the NHS, patients are likely to encounter staff in audiology services who have a broad range of audiological skills. There are audiological physicians who diagnose, investigate and treat patients; audiological scientists who investigate and diagnose hearing impairment; hearing therapists who assess and provide rehabilitative needs; and audiology technicians who assess, fit and advise on hearing aids. A wide variety of expertise contributes to a quality service.

[Mr. John Hutton]

I know, too, that the audiology professions are working together to look at different ways in which to develop common career pathways. That is important because it will help to enhance opportunities for education and development for audiologists, and career development for those wanting to pursue a career in audiology.

The hon. Lady referred to the RNID's awareness campaign. She may also be aware that, in June, the Secretary of State for Health helped to launch the RNID's campaign to encourage people to seek the advice of their GP as soon as they become aware of problems with their hearing.

To help with that campaign, the RNID, as the hon. Lady said, wrote to nearly 40,000 GPs about hearing loss, and it followed that up in the autumn with a campaign to persuade people who were experiencing hearing loss to speak to their GP. I was pleased that the campaign was supported in some parts of the country by local audiology services.

I have already mentioned one way in which audiology services differ from others in the NHS—patients' needs are met through fitting a hearing aid, rather than medication. Nor do people need hearing aids for a short period. More often than not, once a hearing aid has been fitted, people will need it for the rest of their lives.

NHS Supplies provides 550,000-plus hearing aids per annum for use in the NHS, at a cost of approximately £16 million. There are more than 20 products within that range; they cover a wide range of hearing impairment, from mild to profound loss. They cater for the paediatric market, too.

The hon. Lady referred to the advances of technology. She is right to say that, recently, there have been great strides in developing hearing aids in both the NHS and the independent sector. In particular, digital hearing aids are available from the commercial sector. There are requests—she made the request again today—for those to be available from the NHS, too.

As with other forms of digital technology, we need to evaluate those new technological advances, in terms of both cost and clinical effectiveness, for the many people who need hearing aids from the NHS. At present, those aids are very expensive.

Evaluation and examination of the specifications of the aids, and determination of the practical problems as well as trials are required to find out what software and hardware developments are still required for those new aids to hold any advantage over existing advanced programmable analogue aids for a large number of users. Obviously, certain individuals have found them useful, but we are talking about widespread benefit and a wide range of impairments.

The NHS does not just supply hearing aids; it also offers support to deaf and hard-of-hearing people by providing rehabilitation services—an important part of the overall treatment—hearing therapy to support them in using their hearing aids and treatment for any associated problems.

Through advances in hearing aid technology, the NHS has helped to initiate a much broader approach to hearing solutions. For some time, NHS hearing aids have had an adaptation that enables deaf people to use loop systems. Other developments are in train that will help to enhance services for children, adults of working age and older people. The results of those initiatives will help to pave the way for modern audiology services.

Children's services provide an important component of audiology services because children grow and their needs may change quickly—they will often return to have their hearing reassessed and hearing aids modified. Also, temporary hearing loss due to glue ear is the most prevalent audiological condition in children, requiring treatment that can be in the form of myringotomy, with or without grommets, and hearing aids. The Medical Research Council is conducting a trial of alternative regimes in glue ear treatment, which is expected to finish towards the end of 2000.

For many years, children have routinely been screened for hearing problems by health visitors, at around seven to eight months, using a distraction test, as the hon. Lady knows. In 1997, a review commissioned by the health technology assessment programme of the role of neonatal hearing screening suggested that the national screening committee should consider whether there should be a national screening programme for congenital hearing impairment. The review suggested considering a system of universal neonatal screening, followed at seven months by targeted screening using an infant distraction test. Through its sub-committee on child health screening, the committee is considering those suggestions for implementation across the NHS.

Any proposed changes to screening arrangements must be considered carefully to find whether they are feasible, and clinically and cost effective. The impact of any changes on children with hearing impairment, and on associated professional groups such as health visitors, also needs to be carefully assessed. We do not expect the committee to make rushed decisions on those important issues.

The health technology assessment reinforced the point, with which we whole-heartedly agree, that treatment should be initiated early and provided within a seamless service from health and education services. Links between health and education are crucial. We have consistently emphasised the importance of partnership working across services. For children, it is important that speech and language therapy, as well as audiological care, are provided, and that we do not overlook the important links with their education and longer-term needs.

On services for adults, we have recently funded another health technology assessment review covering the acceptability, benefit and costs of early screening for hearing disability. The Medical Research Council institute of hearing research will examine the role of early screening for people aged between 55 and 74 to find a cost-effective screening method for the ability to benefit from early hearing aid fitting. Many adults' hearing starts to deteriorate as they get older, and the project aims to consider the benefits of earlier interventions for people with hearing problems.

Hearing loss for older people is often regarded as a normal part of aging, so older people may not be getting the services that they need. Such loss is often accompanied by sight problems. Promoting independence is one of our key priorities in the "National Priorities Guidance". This priority stresses that the partnership of timely health and social services in the community can

make a crucial difference to the ability of older people to maintain or achieve independence and a healthy life style. In addition, we announced last month that the next national service framework would be on services for older people. We are still considering the arrangements for taking forward work on that framework, but I would be surprised if it did not include hearing impairment for older people.

Although hearing loss is common in older people, it should not prevent them from seeking advice from their general practitioners. In 1994, my Department issued guidance, again based on research evidence, to the effect that there were clear benefits when GPs refer patients directly to audiology services, rather than first to an ear, nose and throat consultant.

More generally on disability, the Government set up the disability rights task force in December 1997 to consider how best to secure comprehensive, enforceable civil rights for disabled people within the context of our wider society, and to make recommendations on the role and functions of a disability rights commission. We announced in the Queen's Speech that we will legislate to create such a commission.

There is another important role for audiology departments in helping to raise awareness of hearing impairment. Earlier this year, the Government announced the timetable for implementing the provisions of the Disability Discrimination Act 1995. From October 1999, service providers will have to take reasonable steps to change practices, policies or procedures that make it impossible or unreasonably difficult for disabled people to use a service. They will need to provide auxiliary aids or services that would enable disabled people to use a service and overcome physical barriers by providing a service by a reasonable alternative method. From 2004, service providers will have to take reasonable steps to remove, alter or provide reasonable means of avoiding physical features that make it impossible or unreasonably difficult for disabled people to use a service.

We wrote to the NHS earlier this year about section 21 of the Disability Discrimination Act and announced that we would develop an action programme to support its implementation across the NHS. Without prejudging the results of the work, it is becoming apparent that one of the key responses for service providers must be to raise staff awareness of disability. However, the NHS will have some important resources to help it tackle that challenging agenda. By that I mean the expertise that staff in NHS trusts have developed over many years. Staff in audiology departments are a perfect example of my point—throughout the day, they are already helping people who are deaf or hard of hearing, and they can help to raise awareness of hearing impairment among other staff in their hospitals and in the wider health community.

As part of the need to raise awareness of hearing impairment issues, the NHS executive recently commissioned a video from a group of deaf film makers to highlight problems encountered by deaf people using hospital and GP services. The video will draw on the personal experiences of a number of deaf people, and will include their reactions to people speaking about them or shouting at them, and the difficulties that some health service practitioners have in understanding them. We expect that it will be used as a training aid for NHS staff who may encounter patients who are deaf or hard of hearing, or colleagues who may be doubly disabled in their day-to-day work.

The NHS executive has also been developing a good practice guide entitled "Doubly Disabled: equality for disabled people in the new NHS". It is aimed primarily at NHS managers and will consider disability in the NHS and the steps that managers might take to provide a more equitable service for disabled people. Voluntary organisations have contributed to the guide, which has already been shared with a wide range of people from all walks of life.

I am grateful to the hon. Lady for giving us an opportunity to discuss these important issues. I assure her that we are absolutely committed to ensuring that people who need audiology services from the NHS get a first-class service. Nothing else will do.

Territorial Army (Chorley)

1.27 pm

Mr. Lindsay Hoyle (Chorley): I would sooner not have had to have this debate, but unfortunately the strategic defence review meant that a debate on the Territorial Army centre at Chorley was necessary.

The centre was established in 1895 and is occupied by the headquarters of 101 Battalion, the Royal Electrical and Mechanical Engineers. More important, if anything is more important, there are also the cadets, about whom I feel strongly. Both have a strong case to remain. On 17 November, my right hon. Friend George Robertson announced that the battalion headquarters would move to north Wales. Study of the map showed that it would move to Queensferry.

I was disappointed because that decision was unnecessary, unjustified and certainly not thought out. Two reviews in the past few months had said that Chorley TA centre should remain. It was in the right position and was the ideal location for 101 Battalion REME's HQ. What has changed? I can think of nothing. The M6 is still in the same place and the HQ is in the good repair that it always has been. All the people are still there. Suddenly, at the last minute, things changed.

Mr. Crispin Blunt (Reigate): I can help the hon. Gentleman, who almost certainly is not aware of the evidence taken by the Defence Committee this morning from Colonel Mike Taylor, chairman of the north-west Territorial Auxiliary and Volunteer Reserve Association. He told us that he and his colleagues did not understand the decision on Chorley, except as a deliberate political move to shift a perfectly fine TA centre from Chorley across a boundary into Wales for the sake of the footprint.

Mr. Hoyle: I thank the hon. Gentleman for that welcome information, of which I was unaware. It certainly concurs with my thinking on the matter and answers some of my questions. I am sure that the Minister will want to deal with that information in his reply. I could not work out the reasons for the decision; the evidence given today has revealed that it was reached for political ones. I am very worried about that, and hope that a correct decision will be made.

Everyone in Chorley was shocked by the decision to transfer the TA centre, which supports our community at sporting, charitable and ceremonial events. Those at the centre have always been there, on hand as a part of Chorley—that role represents an important aspect of the centre, and it is why I have asked for the debate.

The centre is such a key player in the local community that it gives every young person the opportunity to participate in disciplines and events out of school and to plan for the future. The cadet centre attracts young people and provides them with a golden opportunity. If we take away that opportunity, there may not be another one. I hope that the Minister will deal with our concerns. Regardless of how we study the Ministry's plan, it will result in the closure of the centre. Not only will the battalion headquarters go, but a fundamental part of society in Chorley—the cadet force—will go.

Mr. David Borrow (South Ribble): Is my hon. Friend aware that I held a public consultation on the defence review in my constituency, at the Royal British Legion Lostock hall, which was attended by many TA and cadet group representatives? A common theme was the concern that, after any changes in the TA configuration, the position of cadet forces should be maintained. There was, and is, very real concern in Lancashire that changes to the TA could cause serious damage to the area's cadet forces. I seek reassurance from my hon. Friend the Minister—as does, I am sure, my hon. Friend the Member for Chorley (Mr. Hoyle)—that cadet forces, and certainly those in Chorley, will be maintained.

Mr. Hoyle: I know that my hon. Friend had a most successful meeting which was attended by many people. Although people were happy to attend a meeting to have a public discussion, they discovered that Chorley's cadet force, which they thought was safe, and its headquarters, which they believed would not be moved, would unfortunately not be the subject of good news from George Robertson—

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. I am sorry to interrupt the hon. Gentleman, but that was the second occasion on which he referred to the right hon. Member for Hamilton, South (Mr. Robertson) by his surname. He should refer to him by his constituency.

Mr. Hoyle: Yes, Mr. Deputy Speaker.

Our concern is so great that 50 hon. Members from the north-west have sent a letter to the Minister—which he should have received, as it was put on the Letter Board last night—to support the retention of Chorley's centre. We have the backing of parish councils. Last night, Chorley borough council discussed the issue and Lancashire county council, which is concerned about the issue, will also debate it soon. There is a wave of support across the north-west for maintaining the TA centre. We should not lose what we have or play around with it simply to appease north Wales. I am worried about that danger.

It is difficult to justify the Ministry's decision. I have tried to imagine every possible reason for it but have been unable to find one. The decision was not taken for financial or logistical reasons. It does not add up, so what is the reason for it?

The new south Lancashire catchment area, which covers three constituencies, is home to much engineering and 300,000 people. We will not, however, have one TA centre or cadet centre. That news is unacceptable and is not good. The north-west is an important area and the region's population is bigger than that of north Wales, which already has five TA centres. Why on earth are we making the change? It does not make sense.

When I was mayor, I went along to the 101 Battalion REME headquarters, with which I have always had good links, where I was told that the TA has always had problems in recruiting officers for its establishments in north Wales. Now, we are told that the battalion headquarters will be moved to north Wales—but from where will the people come to man it? What will be the cost? It does not add up.

The Chorley centre has eight full-time civil servants. They will not be transferred to Queensferry because it is simply not possible to do so—they will go on to the unemployment register. Eight people's jobs will be

thrown away at a whim, but it will cost us—not only in redundancy money but in recruitment in north Wales. The decision does not add up.

Mr. David Drew (Stroud): Although I do not want to comment specifically on Chorley, there is a wider point to consider—whether the defence review took into consideration an area's recruitment potential. Such considerations certainly seem to have been ignored in my constituency, which is the best recruiting area in Gloucestershire. Would my hon. Friend care to comment on that?

Mr. Hoyle: I do not think that the matter has been considered. I can honestly say that the decision on Chorley was taken so late that nothing could have been properly considered. I am not as familiar with the situation in Stroud, but I presume that the same questions may be asked about the decisions that affect it. I hope that the Minister will also consider the circumstances there. Why change a fine recruitment area, staffed by local people, unless there are genuine reasons for doing so?

The decision on Chorley's centre was not taken because we do not need that centre—it would be different if that were the reason for that decision. Someone has, however, decided to move it to north Wales. Let us not lose sight of that fact. The civil servants at our centre are not the same as the people who go out on the TA weekends, or the Regulars who might expect to be moved. They are people with real jobs and livelihoods who will suddenly lose them.

What will happen when the centre is moved to Queensferry? Last weekend, I decided to take a little trip to north Wales, and just happened to go past the TA centre. Has someone examined and measured the facilities at Chorley and at Queensferry to see what will fit? Nothing will fit at Queensferry as well as it has done at Chorley. North Wales will also be home to two other units and an Army cadet force detachment, all of which will have to be based in one building which was built to house one infantry company. It does not seem possible to make that work.

Unless the building in north Wales is the Tardis—it did not seem to be when I saw it—or we spend money to extend it, where will the headquarters go once we discover that the building is too small to house it? It could go back to Chorley. That would make sense, although it would have been more sensible for it simply to remain there. We could consider Wrexham, but the argument for moving to Queensferry has therefore been weakened.

I should think that by now we have enough evidence to say that the move should not be made, and that the decision should be reviewed by Land Command, which made it. I have been assured that the decision was made by Land Command and not by the Minister, and that it was not reached in the final throes of the review. I am worried, however, that that was when the decision was made; that the centre will not fit in north Wales and that it will cost a great deal to relocate it again.

We must consider also other factors. The Chorley centre houses the computer bank, wiring and transport facilities, all of which will have to be moved. Why are we making the move? There will be no gain in it; it will only cost more money. I thought that the idea of the strategic defence review was to make savings and increase efficiency. We cannot become more efficient in north Wales.

The problem with the 101 Battalion REME is that it covers the area between Coventry and Scotland. We should realise that there is no better place for its centre than in the centre of the country. The midpoint between Coventry and Scotland is Chorley, just up the M6.

Mr. Julian Brazier (Canterbury): The hon. Gentleman is making a compelling case. However, the facts that he describes have been a feature of the cuts and reorganisation in the TA. Last night, the Defence Committee visited 10 Para, which is now to be combined with 4 Para. That will create a unit which will stretch from Scotland to London. How can it possibly be managed as a single unit?

Mr. Hoyle: I do not know whether it is manageable, but if that is the stretch of the Paras, surely they should consider Chorley. We have a spare barracks and headquarters for them. I can think of no more compelling case that I have heard today. It would make sense to look for a central location that was good for logistics. In all fairness to north Wales, that is not the case in Queensferry.

The barracks at Chorley has been well maintained. It is a good facility that we should not lose. It was a gift from the people of Chorley by public subscription. What right have the Government to sell it? People are careful about what they buy. It is a listed building, so it does not lend itself to many other uses anyway. The land is also tied up with Chorley borough council. There is a lease on it, which muddies the waters even further.

The facility has been valued at just over £200,000. We have to find accommodation for a cadet force, because the Minister has said that they will not travel more than five miles from where they are. That means that we have to buy a brown-field site and put a building on it. After moving everything in and ensuring that it is up and running, the cost will be near to £100,000. If the existing building is sold, we shall not get much more than £200,000. It would make more sense to leave the cadet force in the TA centre, but the centre is too big, so we need something else there as well.

What is the cost of moving the 101 Battalion REME to Queensferry? Nobody has given me the figures. What will the redundancy costs be? It all stacks up to suggest that the move is not sensible. There is not a single genuine reason for it.

I have studied the map. If the battalion ends up in north Wales, and given that it will not fit at Queensferry, the only place that it can go is Wrexham. That is a bit further away and off the main routes. That would be a mistake. I do not know how my hon. Friend the Member for Wrexham (Dr. Marek) would feel about that. He hopes that Wrexham might end up with a Welsh battalion or one coming back from Germany full time. If Wrexham is used—that is the only logical conclusion that I can come up with—101 Battalion REME will be thrown out again and will be looking for a new home. That is not acceptable.

Why are we moving the battalion? The issues have not been thought through. There is a danger that it is nothing more than a political decision. I do not want to think that politics have overtaken common sense on this. I like to think that Land Command had to come up with a quick fix without thinking it through, costing it or realising what it was doing. I hope that we have enough evidence for the issue to be send back to Land Command for a rethink.

[Mr. Hoyle]

If we have to appease north Wales, there are alternatives. It could be represented by moving a battalion headquarters from south Wales, where there are four or five. Would it not make more sense to transfer a battalion whose history is already in Wales? Some regiments in south Wales have 50 per cent. of their sub-units in the midlands—two thirds in one case. The 157 Transport Regiment has one detachment at Stoke-on-Trent, which is closer to Queensferry than to Cardiff, where the headquarters is currently located. I am sure that that would make more sense to the people of Wales. Common sense is what we are here for.

I hope that my hon. Friend the Minister will not just give the usual sympathy. We have had a good, open discussion. I hope that the issue will be taken on board and given more serious consideration than has been the case so far. The decision was made at the last minute. The two earlier reviews conducted three months ago pointed to Chorley. Chorley is in the right place. Everything cannot be changed in the last throes of the review. All the reasons why Chorley was right did not disappear overnight. There have to be other reasons behind the decision.

I sympathise with Wales. I do not want to say "Wales should not have this and should not have the other." However, what we do should make sense. Overall, Parliament supported the strategic defence review. The armed forces backed it because a lot of it made sense, although there were parts with which some of us disagreed. The decline came when the strategic defence review reached the Territorial Auxiliary and Volunteer Reserve Association. That is when everybody became emotional. My hon. Friend the Minister has said that we must take a realistic view, based on common sense. I accept that what is left must have a use.

If the Chorley centre was to close because there was no need for it, because it was outdated or because it was not relevant, I would not be standing here today. However, that is not the issue. The battalion headquarters is to be moved from Chorley to north Wales purely for appeasement. That is not how we should do business. That is not the way forward.

I hope that the Minister will take on board what I have said and look at the genuine problems that have been created. He should think about those who will lose their jobs. It is not long since we suffered under a defence review by losing jobs at Royal Ordnance. There was a genuine reason for that, but in this case there is no need for redundancies. The jobs can remain at Chorley. It would even save money. I ask the Minister to send the issue back to Land Command to be reconsidered. The cadet force must remain in the Chorley centre. I hope that the 101 Battalion REME will also remain in its rightful home at Chorley, which is in the centre of its operating area, not out on a limb. It should not have to report to south Wales from north Wales. It should continue to report from Chorley to Preston. I implore my hon. Friend to take on board what I have said.

1.47 pm

The Parliamentary Under-Secretary of State for Defence (Mr. John Spellar): I congratulate my hon. Friend the Member for Chorley (Mr. Hoyle) on securing this debate on the future location of the headquarters of 101 Battalion of the Royal Electrical and Mechanical Engineers. We have had interventions from my hon. Friends the Members for Stroud (Mr. Drew) and for South Ribble (Mr. Borrow) and from the hon. Members for Reigate (Mr. Blunt) and for Canterbury (Mr. Brazier). My hon. Friend the Member for Chorley clearly feels strongly on the issue, as his remarks today and after the statement by my right hon. Friend the Secretary of State on 17 November show.

I fully understand my hon. Friend's concern that his constituency has lost the opportunity that the presence of the headquarters of 101 Battalion REME affords to those who want to volunteer their services to the Territorial Army. However, the issue must be viewed against the wider background of the restructuring of the Territorial Army and the Government's aims in their review.

It may be helpful if I briefly remind hon. Members of the background to the review and the extensive consultation exercise that was conducted before my right hon. Friend announced the results on 17 November.

Mr. Brazier: If that was the case, why, as late as 26 September, did almost all the senior serving officers in the Territorial Army meet and pass a message up the chain of command that they felt that they still had not been consulted?

Mr. Spellar: The hon. Gentleman does himself and the Territorial Army no good by fighting old battles. He no longer represents the view of the Territorial Army. Since the announcement of 17 November, I have had several discussions with those involved: some are pleased and some are disappointed. The outcome has been described as better than they had feared and worse than they had hoped for. There is a feeling that the TA must get on and implement the decisions that have been made and look to the future to create a more operationally valid and useable force. The hon. Gentleman is fighting an old battle in which he is not carrying the majority of the TA or its senior members.

Mr. Brazier rose—

Mr. Spellar: I am mindful of the fact that I do not have much time to cover all the issues and that it is unusual to accept interventions during a half-hour Adjournment debate, so I want to press on.

It has been our intention to give effect not only to a reduction in the TA but to a substantial restructuring to reflect the changes that have taken place in the international environment. We have achieved that on the basis of a thorough analysis of the operational requirement for each arm and service as part of a modern, deployable Army, taking into account the scale of a likely deployment and the readiness of forces that would be required for it.

Those calculations led us to believe in the summer that a TA of about 40,000 was required. The House will know that, in our subsequent work and consultation, we refined that figure to 41,200. As part of that work, we defined the organisation of the arms and services that can best deliver the results that we want and need.

In the case of the Royal Electrical and Mechanical Engineers, the decision was to retain four of the five battalions. Those judgments have been essentially

military. As my hon. Friend the Member for Chorley knows, the bulk of the work to devise the new structure within the parameters set out in the strategic defence review has been undertaken by the Commander-in-Chief Land Command and his planning staff.

The method that they have chosen to adopt for the review—it has the whole-hearted approval of Ministers—has been to consult widely on an initial set of proposals which was issued for that purpose in July, shortly after the announcement of the outcome of the strategic defence review. The purpose of the consultation was to bring together the professional judgment of three sets of people with differing responsibilities for the Territorial Army.

The first set was the directors of arms and services. All arms and services have such directors, and the fact that they have serving members of the TA on their staff has enabled them to give advice on the best organisation and structure for the reformed TA in their particular arm.

The second set of people who were consulted were the divisional and brigade commanders who command both the Territorials and Regulars in their respective areas. In the case of 101 Battalion REME, divisional command is provided by headquarters, 5th Division, in Shrewsbury. Two brigade headquarters are involved: 160 Brigade based in Brecon in Wales and 42 Brigade in Preston. I re-emphasise the fact that both headquarters have TA staff and so can make both chain-of-command and local decisions about the arrangements that will best suit the Army's purposes.

The third set of people whom the Commander-in-Chief Land Command consulted was the Territorial Auxiliary and Volunteer Reserve Association, whose role in these matters is, I think, well understood by hon. Members.

I outline the consultative arrangements in some detail to illustrate the fact that, even within the military staffing process, the consultation exercise has sought to bring together a number of different aspects: the interests of the individual arm or service; the interests of the chain of command, which brings together a range of different arms; and important local or regional factors. We have put even greater stress on regional factors than would have been expected to emerge from the military staffing process to emphasise the fact that the TA has a wider role as part of the Army's public face in the community.

I was slightly surprised by the intervention of the hon. Member for Reigate, who dismissed the argument in favour of maintaining a footprint. We emphasised many times—indeed, it was said by hon. Members from both sides of the House and from all parts of the country—that it was important to maintain the footprint. I find it strange that that should now be used as a criticism of the process. The footprint was not only an inherent part of the process but widely demanded.

Mr. Blunt: My point—it was made to the Defence Committee this morning and I was passing on the information to the hon. Member for Chorley (Mr. Hoyle)—was that the headquarters was being moved 25 miles for the sole purpose of crossing a border. I am not sure that that has an enormous amount to do with a national footprint.

Mr. Spellar: I noted down at the time that the hon. Gentleman used the term footprint; he said that the move was being made to maintain a footprint and that the decision was political. I believe that it is important to maintain the footprint. If that has been deemed to be one of the considerations, we will acknowledge it.

It was no surprise that my hon. Friend the Member for Chorley observed that he had believed that his constituency was not among those affected in the initial proposals. We stressed to the large numbers of those who made representations about the effects of TA restructuring in their areas that the consultation was genuine; its purpose was to ensure that a proper balance could be reflected in the proposals that were finally put to Ministers.

Of course I am personally sorry that my hon. Friend and his constituency should have had, as he sees it, the rough end of the deal, but I hope that he will accept that the objectives of the exercise have required us to have regard not only to the particular circumstances of the headquarters but to the region as a whole.

Lancashire has not done badly in the restructuring exercise. It currently contains six Territorial Army centres; there are centres in Blackpool, Lancaster, Preston and Chorley, with two centres in Blackburn. After the reform, there will be five TA centres in Lancashire. The TA centre in my hon. Friend's constituency will be the only one to close.

The remaining centres will be base to the best part of three infantry companies and an infantry battalion headquarters, a signal squadron, three Army medical service squadrons and the Lancaster University officer training corps. That is not much less than there is now—Lancashire has lost an infantry company, an engineer troop, and the 22-man headquarters of 101 Battalion REME. The county remains well represented by the TA. Moreover, it could be argued that the review has been kinder to Lancashire than to some other counties.

The intention is that the headquarters of 101 Battalion REME will move to Queensferry in north Wales. As we expect the company of infantry that is currently based in the TA centre in Queensferry to be reduced to a detachment, it makes sense to use the available space to accommodate other units. In addition to the infantry detachment, there will be a surgical squadron and 101 Battalion REME headquarters. There is ample space for those units.

The changes will give north Wales a share in the expansion of the TA element of the Army medical service from which Lancashire has benefited. They will place the REME battalion headquarters closer to the REME unit at Prestatyn, which is some 15 miles away on the A548.

Mr. Hoyle: Will my hon. Friend give way?

Mr. Spellar: Yes, but I remind my hon. Friend of the time.

Mr. Hoyle: Chorley is right next door to Clifton, where most of the Army presence is; if the REME battalion moves, it will be even further away.

Mr. Spellar: The battalion will move closer to one centre and further from another—that is always the difficulty in making those judgments. I am describing the process by which we tried to ensure a balance across the country. Furthermore, there is no question that we will not be able to recruit the 22 individual volunteers that we need for the headquarters.

[Mr. Spellar]

North Wales has not done badly in the review, but it has not done as well as Lancashire. Like Lancashire, north Wales contains six TA centres, but two of them are to close. Like Lancashire, north Wales contains four infantry companies; after the reforms, there will be the best part of three. Wales currently has only one battalion headquarters whereas Lancashire has three. If the REME battalion headquarters was not moving, Wales would have none after the changes.

The judgment has been that it makes sense to move the headquarters of 101 Battalion REME to Wales. That makes operational sense because of the presence of the REME unit in Prestatyn. It makes practical sense because of the need to make best use of the facilities in Queensferry after the reduction of the infantry presence there. It makes regional sense because it accords with our attempts to ensure reasonable equity in the distribution of the future TA.

There will be opportunities for those in Chorley to continue to serve in the TA if they want, although I accept that, for some, it will not be as convenient as it is now. The centre at Kimberley barracks, Preston, however, is not more than seven or eight miles from Chorley and there are other centres in Lancashire and Greater Manchester. Arrangements will be made where possible to enable those who want to transfer to do so.

I understand the position of my hon. Friend the Member for Chorley. It is hard that Chorley should be almost alone in being able to supply what was needed to ensure fair play regionally. The decision involved a matter of judgment; we had to take into account the wider interests of the TA in the region as a whole—

It being Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Sitting suspended, pursuant to Standing Order No. 10 (Wednesday sittings), till half-past Two o'clock.

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Decommissioning

1. **Mr. Shaun Woodward** (Witney): If she will make a statement on the decommissioning of weapons from terrorist organisations. [61198]

2. **Mr. Peter Luff** (Mid–Worcestershire): What progress has been made on the decommissioning of illegally held arms; and if she will make a statement. [61199]

3. **Mr. Philip Hammond** (Runnymede and Weybridge): What progress has been made on the decommissioning of illegally held arms and explosives. [61200]

The Secretary of State for Northern Ireland (Marjorie Mowlam): The independent International Commission on Decommissioning has been holding discussions about the means of decommissioning with representatives from a number of parties associated with paramilitary organisations.

Although actual decommissioning has yet to start, the Government are determined to see the Good Friday agreement implemented in full. It is time for all paramilitary groups to play their part in the implementation of the agreement and start decommissioning now.

Mr. Woodward: Although nobody in the House would in any way wish to undermine the achievements of the peace process—and I am sure that everybody in the House would continue to support fully the Secretary of State in the work that she is doing—we must bear it in mind that a great deal of understanding is required by those who have seen more than 200 paramilitary prisoners released since 11 September without a single weapon having been decommissioned. The understanding that is required by the families of the victims of the most brutal killings by some of those who have now been released is perhaps being tested to breaking point. Does the Secretary of State believe that the process of releasing paramilitary prisoners should continue while not a single weapon is collected? When does she believe the first of those weapons should be handed in?

Marjorie Mowlam: I share the hon. Gentleman's concern at the pain felt by victims' families. I have talked to many of those families in the past weeks and months, and I understand that completely. However, even though their pain is difficult, many say that if it means that other families do not have to go through what they have gone through, the Good Friday agreement is worth having and worth trying to implement. It is difficult and it takes a great deal of understanding, but the people voted for the agreement. We are implementing it—that is our role. The agreement must be implemented in all its dimensions, and that is what we are working to achieve.

Mr. Luff: I certainly wish to associate myself with the remarks of my hon. Friend the Member for Witney (Mr. Woodward) about the Secretary of State's achievements. However, does she understand that there is a real risk of her losing the support of mainstream English opinion for the peace process unless decommissioning begins almost immediately? Had she come with me to my constituency at the weekend, she would have heard many people express to me their anger and puzzlement at the fact that terrorists can walk free from prison while the organisations that support them are not giving up a single ounce of Semtex or a single bullet. Does she understand the urgency of the feeling that decommissioning should begin immediately?

Marjorie Mowlam: The agreement was put in place for all the people of Scotland, Wales, Northern Ireland, the Republic and elsewhere. It was put in place not by us, but by the party leaders. We will do all that we can following the votes of the people to make sure that the agreement is implemented. Of course understanding is needed, but moving from violence to peace is not easy. We are implementing the Good Friday agreement. Some dimensions are moving more quickly than others, but we must implement the agreement for it to work. The best way to get decommissioning and to find peace is to implement the agreement—as we are trying to do.

Mr. Hammond: In a letter to the right hon. Member for Upper Bann (Mr. Trimble), the Prime Minister made a commitment which my right hon. Friend the Leader of the Opposition quoted on 22 April. My right hon. Friend quoted that letter as follows:

"no Member of the new Assembly will be appointed a Minister until any paramilitary associates that he may have had have engaged in substantial decommissioning."—[*Official Report*, 22 April 1998; Vol. 310, c. 811.]

Will the Secretary of State reaffirm that pledge in precisely those terms today?

Marjorie Mowlam: Those are roughly the words that the Prime Minister used on 10 April. We will make the decision when we have people in the Executive. We are a long way off that yet.

Mr. Harry Barnes (North-East Derbyshire): Is there not a road to decommissioning? At least 14 bodies of the disappeared have not been returned; masses of mutilations still take place; and a host of people are in exile. I understand that 458 terrorist incidents this year have been attributed to paramilitary groups involved in the Assembly. If those groups could deliver progress on the bodies and on the mutilations, would not that open the road to full decommissioning?

Marjorie Mowlam: I thank my hon. Friend and agree whole-heartedly.

Dr. Norman A. Godman (Greenock and Inverclyde): When the odd job lot opposite were in power, many prisoners were released early. How many weapons were decommissioned then? Everyone knew that decommissioning would be the most difficult element in the agreement and, as my right hon. Friend says, we have to consider it as a whole.

Marjorie Mowlam: My hon. Friend will be well aware that the Good Friday agreement contains clear

commitments on the decommissioning of all paramilitary weapons within two years. We want the process to start straight away. I agree that the previous Government did not achieve a single piece of decommissioning but released 240 prisoners as a result of the Northern Ireland (Remission of Sentences) Act 1995.

Mr. Andrew MacKay (Bracknell): That was to bring Northern Ireland into line with the rest of the country.

Marjorie Mowlam: I do not want to dwell on the past, because we are building for the future, but— *[Interruption.]* I do not want to get into a slanging match about the past. *[Interruption.]*

Madam Speaker: Order. I do not welcome comments from a sedentary position, and certainly not on such an important issue.

Marjorie Mowlam: It is sometimes a little difficult when hon. Members say that they support me in my position, but do not support the detail that comes out of my mouth. I wish that they would decide which way their support stands.

Ms Margaret Moran (Luton, South): Does my right hon. Friend agree that the preconditions that Conservative Members want to write into the agreement do not exist in it at the moment, and that it is incumbent on all of us who have the welfare of Northern Ireland at heart to ensure that our constituents understand the real terms of the agreement and not those that others would seek to insert? Is it not wrong to attempt to rewrite an agreement to which all parties signed up?

Marjorie Mowlam: I thank my hon. Friend. Let me make our position absolutely clear: decommissioning is an integral part of the agreement; it is not a precondition but an obligation. I would like it to happen as soon as possible, but I agree completely that it would be wrong to rewrite the agreement, as those who want movement on the accelerated release of prisoners, and not the other dimensions, are trying to do.

Mr. Jeffrey Donaldson (Lagan Valley): The Secretary of State will be aware of the obligations placed on her by the House under section 3(9)(d) of the Northern Ireland (Sentences) Act 1998 to review the conduct of terrorist organisations whose prisoners are being released. At the moment, many of those organisations continue to engage in violence and regularly breach their ceasefires; some of them have not even set up a liaison with the International Commission on Decommissioning. Does the Secretary of State believe that all the organisations benefiting from prisoner releases are committed to exclusively peaceful means, when violence continues daily?

Marjorie Mowlam: I take constant cognisance of the piece of the Act to which the hon. Gentleman refers—section 3—and, as I have said in the House before, I review on a continuous basis the question whether the groups that are part of the accelerated scheme for releases are maintaining an unequivocal ceasefire. I have to say that they are, on the firm evidence with which I am provided. I make the commitment again to the House that if that changes, I will of course make a judgment and act, but up to now that firm evidence is not there.

Mr. David Winnick (Walsall, North): Should we not put it on record that no Member of Parliament does not want to see decommissioning happen as quickly as possible, and that that is not the monopoly of some Conservative Members? Is it not a fact that what has happened since the Good Friday agreement has been what was agreed at the time, and that no action has been taken by the British Government that was not in the agreement, which was endorsed by a huge majority in this House? Some people did not want the agreement and are doing their best to destabilise it.

Marjorie Mowlam: No Government want to see decommissioning of all paramilitary weapons more than this Government. We have worked hard to do everything that we can to get paramilitary weapons decommissioned. It is an essential part of the agreement. Progress with the Good Friday agreement is crucial to making progress on all the dimensions necessary. It is about confidence, and the bipartisanship in the House has been crucial in helping that confidence along. I hope that that is reinforced today.

Mr. Lembit Öpik (Montgomeryshire): The Secretary of State will no doubt agree that decommissioning must extend to the weapons used in the mutilation incidents that take place. Does she agree that the official statistics hide higher levels of intimidation occurring at the moment in Northern Ireland? What words of encouragement can she give to those involved in the organisations Families Against Intimidation and Terror and Families Acting for Innocent Relatives, who courageously work hard to reduce the levels of violence with which many people in Northern Ireland sadly still have to live?

Marjorie Mowlam: I share the hon. Gentleman's hatred of those events and I use this opportunity to call again on the individuals who commit those barbaric acts to stop. Groups and individuals who campaign on the matter should rightly be commended. They work very hard to bring it into the public domain, sometimes at great personal risk to themselves. I say to the hon. Gentleman and others that I cannot act on the basis of speculation and allegations: I have to act on firm evidence. A number of allegations have appeared in the press recently, including one a couple of days ago that claimed that ex-prisoners were involved. I saw the Chief Constable of the Royal Ulster Constabulary yesterday and asked whether any firm evidence existed on which I should act. I was reassured that it did not. If there is firm evidence, I will act, as the agreement requires me to do.

Mr. Phil Hope (Corby): I congratulate my right hon. Friends the Secretary of State and the Prime Minister on their personal commitment and the work that they are doing to ensure that all the provisions of the Good Friday agreement are implemented. Like every other right hon. and hon. Member, I condemn gangsterism on the streets of Belfast, or anywhere else in the United Kingdom. What effect does my right hon. Friend think the apparent breakdown in the bipartisan approach is having on the

confidence that people in Northern Ireland have in the Good Friday agreement, because it is that confidence that will secure longer lasting peace in the future?

Marjorie Mowlam: I thank my hon. Friend. I hope that the breakdown is apparent and not real, and I look for reassurance from my opposite number, the right hon. Member for Bracknell (Mr. MacKay). The bipartisan approach has been a plus. I have been assured that the support we gave the previous Government was a help and I hope that the understanding continues. It helps confidence in Northern Ireland and worldwide, which feeds back into Northern Ireland.

Progress is being made on many other dimensions, despite many of the questions that pick on the negative parts. It is slow, but we have only been at it for six months. The momentum is still there on the Human Rights Commission, the Equality Commission, the Assembly and the cross-border bodies. My deputy, my hon. Friend the Member for Torfaen (Mr. Murphy), sends his apologies to the House, because he is at present in talks with parties on aspects of the agreement. That momentum must not be forgotten.

Mr. Andrew MacKay (Bracknell): In attempting to support a bipartisan approach to Northern Ireland, may I strongly endorse what the Secretary of State said at the Dispatch Box at her last Question Time, which was that decommissioning and the early release of terrorist prisoners must go in parallel as part of the agreement that we both support? Does she agree that any reasonable person would say that the early release of many more than 200 terrorist prisoners, without a single ounce of Semtex or one gun having been handed in by the paramilitaries, does not in any shape or form match up to the agreement or the promises that have been made?

Marjorie Mowlam: If the right hon. Gentleman is attempting to support us, he ought to read the agreement, which is clear on the point that he has just made. Yes, there must be parallel movement, and on all dimensions. That is how the difficult issue of decommissioning will be addressed. If the agreement is implemented, decommissioning will happen as part of the process. If, as I said earlier, I receive evidence that one or more groups are not maintaining a completely unequivocal ceasefire, I shall use my powers, under the Northern Ireland (Sentences) Act 1998, to prevent further releases.

The right hon. Gentleman asked why I am allowing releases to go ahead without decommissioning. If he reads the agreement, he will find that it states that if there is a breakdown of the ceasefire, and if I have evidence to that effect, I may—as I have said to the House on numerous occasions—act accordingly. There is no such evidence. If the right hon. Gentleman is asking me to do something else, that is not implementing the agreement.

Mr. MacKay: May I tell the Secretary of State that the text that I have taken is that given by the Prime Minister, both at the Dispatch Box in reply to my right hon. Friend the Leader of the Opposition during several exchanges in May, and in his clear pledges to the people of Northern Ireland during the referendum campaign. The Secretary of State and I know that those pledges have not been kept. We are told that the Prime Minister will join the Taoiseach, Mr. Ahern, in Belfast later today. Can the right hon. Lady assure us that he will say to all the paramilitaries, "I am drawing a line in the sand. Not a single extra terrorist prisoner will be released until there is substantial and verifiable decommissioning. I am thus keeping my promise to the people of Northern Ireland."?

Marjorie Mowlam: My right hon. Friend the Prime Minister has kept his pledges. If the right hon. Gentleman reads the Northern Ireland (Sentences) Act 1998 and the Northern Ireland Act 1998, he will find that his points are in them.

Security Situation

4. **Mr. Owen Paterson** (North Shropshire): If she will make a statement on the current security situation. [61201]

8. **Mr. Dominic Grieve** (Beaconsfield): If she will make a statement on the security situation in Northern Ireland. [61205]

The Minister of State, Northern Ireland Office (Mr. Adam Ingram): The security situation at present remains relatively calm and the main ceasefires continue to hold. Unfortunately, there are still groups that have refused to call ceasefires and which continue to use violence, or the threat of violence, to promote their own narrow agendas. The security forces remain alert to counter that threat.

Mr. Paterson: The Belfast human rights group, Families Against Intimidation and Terror, reports that there were 400 violent terrorist incidents in the first 10 months of 1998. That has accelerated, with 157 in November, and 37 families have had to be rehoused. In contradiction of the Secretary of State, Mr. Vincent McKenna, the development officer of FAIT, says that 12 released prisoners have been directly implicated in incidents. Given the deteriorating situation, does it not defy common sense to continue to release violent men?

Mr. Ingram: My right hon. Friend the Secretary of State has extensively answered most of those points. Let me deal with the allegations made by FAIT, an organisation with which I have had contact, and whose previous office bearers and their work I respect. To anyone who has information and evidence, I can say only this: do not make allegations in the press; give the evidence to the police. A judicial process is required to take people to justice, not the Government.

Mr. Grieve: Again, on the question of security, I am sure that the Minister is aware that there has been a growing number of incidents involving attacks on RUC patrols, particularly in South Armagh. Is he also aware that there is a widespread view in Northern Ireland that those attacks have been carefully orchestrated by Sinn Fein and the IRA and have been designed specifically to influence the way in which the Patten commission considers the reform of the RUC in the future? How does he view the progress of the ceasefire and the security situation in the light of those attacks?

Mr. Ingram: I know that the hon. Gentleman is a respected barrister, but I make the same points as

I made to his hon. Friend the Member for North Shropshire (Mr. Paterson). If he has any evidence for those allegations, he should pass it on to the police and the RUC so that they can investigate it. Clearly, as I said earlier, there are still incidents of unrest throughout Northern Ireland. The RUC has to address that, and all members of society in Northern Ireland—it is to be hoped with the support of Opposition Members—must work together to implement the Good Friday agreement.

Mr. Robert McCartney (North Down): Does the Minister agree that people are being shot and mutilated daily in Northern Ireland and that that is taking place in areas under the complete control of paramilitary organisations represented in the Assembly? Does the Minister agree that those widespread and, in many instances, murderous offences are being committed in areas where the police acknowledge that either the Provisional IRA or the Ulster Volunteer Force have complete control?

Mr. Ingram: I must say again that the hon. and learned Gentleman is making allegations. He is a respected lawyer in Northern Ireland and he should not respond to allegations. He should seek evidence and pass it to the RUC. The RUC is assiduous in trying to track down every wrongdoing, but it needs evidence. It needs people to come forward. It needs those who have been victimised, harassed or intimidated to stand up and say what has happened to them and it needs witnesses to back them up. Anybody who has been involved will then be taken through the judicial process.

Mr. Steve McCabe (Birmingham, Hall Green): Does my hon. Friend agree that we should commend the efforts of former prisoner organisations which are trying to work with the probation service, the police and other authorities in Northern Ireland to create proper community alternatives in areas where there are high levels of crime and problems for communities? Should we not commend those efforts and make it clear that, across the House, we condemn the activities of drug barons and gangsters who are using the political situation for their own ends?

Mr. Ingram: I thank my hon. Friend for those comments, with which I agree whole-heartedly. I met a group yesterday called Proj-ex 2000, which is involved in the reintegration of released prisoners. It made the point that many ex-prisoners return to a normal life. They want to reintegrate into society and it behoves all of us to find the means and provide the resources for them to achieve that. There are many people working to heal Northern Ireland society and we have to work alongside them to remove for good the men of violence.

Decommissioning

5. **Mr. John Wilkinson** (Ruislip-Northwood): What discussions she has held with leaders of political parties represented in the Northern Ireland Assembly about a linkage between decommissioning of terrorist weapons and eligibility for participation in the Northern Ireland Executive. [61202]

The Secretary of State for Northern Ireland (Marjorie Mowlam): Such proposals have been made by more than one of the parties. There is no direct linkage in the agreement, and the Government cannot rewrite it. We are there to help implement it.

Mr. Wilkinson: Does the right hon. Lady not recognise that the maintenance of an armoury of weapons at a party's disposal constitutes an implicit threat to the population and a potential source of blackmail to the political and democratic process? In that context, may I remind the right hon. Lady of the personal pledge delivered by the Prime Minister to the University of Ulster, Coleraine, on 20 May? He said:

"Those who use or threaten violence shall be excluded from the Government of Northern Ireland."

Does that pledge still hold?

Marjorie Mowlam: The maintenance of an armoury, whether by republicans or loyalists, is clearly counterproductive.

Mr. Patrick Nicholls (Teignbridge): What are you going to do about it?

Marjorie Mowlam: I shall try to implement the Good Friday agreement because that is the best way to achieve decommissioning. If the hon. Member for Ruislip–Northwood (Mr. Wilkinson) has an alternative, I look forward to hearing it. On his second point, which questioned the Prime Minister's pledge on 20 May, I say to him, as I said in earlier answers, that the pledge has been honoured. It is in the Northern Ireland Act 1998 and the Northern Ireland (Sentences) Act 1998 and we are following it to the word.

Mr. Ken Maginnis (Fermanagh and South Tyrone): I am surprised that the House is so tolerant of the equivocation and evasion that we have heard from the Government today. I wonder why, when the House has found its conscience about General Pinochet and the abuse of human rights, the Secretary of State will not give a clear definition of how people with paramilitary links such as McGuinness, Adams and other members of Sinn Fein can get into government. Will she reassure the House that she is not contemplating contravening the Stormont agreement by saying that we must implement every element of it before there is any decommissioning? That would not be acceptable.

Marjorie Mowlam: As the hon. Gentleman knows, it is not for me to make that final decision. I have said that we are trying to implement all the parts together. No one part must be a precondition for another. The issue is one of confidence, and there must be confidence building on both sides. Implementing the agreement is the best way to achieve that.

Mr. Malcolm Moss (North-East Cambridgeshire): Does not the Secretary of State agree that the Government have made it abundantly clear through the words of the Prime Minister that Sinn Fein members will not

"qualify to take seats in the government of Northern Ireland"

unless and until they

"have given up violence for good"?—[*Official Report*, 6 May 1998; Vol. 311, c. 711.]

The right hon. Gentleman included progress on decommissioning in that. Is that a matter of principle for the Government, or are they prepared to compromise outside the spirit of the Belfast agreement to cobble together a deal?

Marjorie Mowlam: The hon. Gentleman did not read out the whole quotation, which referred specifically to the Executive and progress on decommissioning. I am not saying, as was suggested earlier, that decommissioning should wait until last. We want it to happen as soon as possible and it is an essential part of the agreement. It is not a precondition but an obligation. In answer to earlier questions, I made it clear that the only way to achieve decommissioning is to implement the agreement. All parts must be implemented and we all have to work very hard to achieve that.

Tourism

6. **Mr. Ian Bruce** (South Dorset): If she will make a statement on the latest trends in tourism in Northern Ireland. [61203]

The Minister of State, Northern Ireland Office (Mr. Adam Ingram): In 1997, 1.45 million visitors came to Northern Ireland—a 1 per cent. decline on 1996—and contributed £208 million to the local economy. Estimates for the first half of 1998 suggest a marginal growth of 1 per cent. over the same period last year. Tourism performance measures for 1998 will be available early in 1999.

Mr. Bruce: Will the Minister tell us what is being done in Northern Ireland to develop contacts with the Republic of Ireland to improve tourism, work on matters other than security and, hopefully, build up trust between the two communities?

Mr. Ingram: The hon. Gentleman refers to one of the important areas in which there is good cross-border co-operation. That is being examined by an implementation body of the new Assembly Members and the Republic of Ireland. Tourism has great potential for the local economy and many jobs will flow from it.

Mr. Lawrie Quinn (Scarborough and Whitby): Will my hon. Friend please tell the House what work has been done to market in north America the great tourism potential of Northern Ireland and the rest of the island of Ireland? Has not the confidence that tourists have gained from knowledge of the bipartisan approach that we have previously witnessed in the House encouraged them to return to the island of Ireland, bringing prosperity to parts of the Northern Ireland economy?

Mr. Ingram: The Northern Ireland tourist board has put in considerable effort. Against a very difficult backcloth, it has energetically tried to bring more tourists to Northern Ireland. Those who visit Northern Ireland return again and again, and I believe that we may all promote Northern Ireland as a great place to visit. It will be even better when the Good Friday agreement is implemented in full.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1.[61228] **Mr. William Cash** (Stone): If he will list his official engagements for Wednesday 2 December.

The Prime Minister (Mr. Tony Blair): This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings today.

Mr. Cash: Does the Prime Minister recall the words of Sir Winston Churchill in 1932—

"Tell the truth to the British people"?

Will he guarantee to the House and to the British people that he can and will veto tax harmonisation in Europe, veto the breaking of the unanimity rule and veto the call for a European constitution? The British people have been consistently misled over Europe by successive Governments, but the time has now come for the British people to be told the truth. Will he give the British people a White Paper, setting out the true constitutional position of this country in relation to the European Union?

The Prime Minister: As always, I thank the hon. Gentleman for the help that he gave us in the last general election campaign. He must be very pleased that his views on Europe are now the views of the Conservative Front-Bench team. As for the particular issue that he raises, no, I cannot promise him a White Paper, but I do promise him that we shall continue to represent the interests of this country properly and faithfully, and will resist any proposals that undermine the essential interests of this country. That is what we have done, and that is what we shall continue to do.

Mr. Richard Burden (Birmingham, Northfield): Would my right hon. Friend join me in welcoming the announcement of agreement at Rover Group? In particular, is he aware that the agreement that has been reached includes flexibility for employees but a reduction in working hours? Does that not show that, contrary to what Conservative Members seem to think, improvements in working conditions and a reduction in hours can be the friend of productivity, not its enemy?

The Prime Minister: I very much welcome the announcement that has been made by Rover Group. The building of the new Mini at Longbridge is a great victory for the imagination that has been shown by both management and unions at that plant. If the deal goes through and the extra investment goes in, that is the best guarantee of a healthy future for that plant, and the Government will certainly do all that we can to assist them.

Mr. William Hague (Richmond, Yorks): Can the Prime Minister confirm that he is happy to see nearly 100 hereditary peers continue to sit in the House of Lords after his forthcoming Bill on the Lords has been enacted?

The Prime Minister: I am delighted to hear the right hon. Gentleman's question. It is an indication that he is

now prepared to agree to what would remove hereditary peers altogether, in the two stages, from the House of Lords. If he is now prepared to agree that, we are certainly prepared to agree it; and we shall then have the chance of getting a fully reformed second Chamber without any hereditary peers at all.

Mr. Hague: Will the Prime Minister confirm, because his party may not be aware of what he is talking about on this subject, that for some weeks the Lord Chancellor has been approaching the Conservative party with a proposal to keep a proportion of the hereditary peers, explicitly sitting as hereditary peers, not as life peers, in exchange for my party's acquiescence in the rest of his ill-thought-out change? Although we welcome the huge climbdown on his part, we are not prepared to acquiesce in that change, because we are not prepared to join forces with him on major constitutional change that is based on no comprehensive plan or principle.

The Prime Minister: That is extremely interesting. Yes, we are certainly prepared to agree to a proposal that would allow us to remove the hereditary peers altogether, in two stages. We are perfectly prepared to agree that in the first stage one in 10 hereditaries stays, and in the second stage they go altogether. It is also entirely true that we were prepared to discuss that with the right hon. Gentleman's party. I thought that we had the agreement of the leader of his party in the House of Lords. Indeed, I believe that we have that agreement. *[Interruption.]* Will the right hon. Gentleman enlighten us whether we have his agreement?

Mr. Hague: The Prime Minister has just had the answer to that. He told the House—*[Interruption.]*

Madam Speaker: Order. The House will come to order, so that we can hear what hon. Members are saying.

Mr. Hague: The Prime Minister said in the Queen's Speech debate last week:

> "We believe . . . that it is important to deliver on the pledge that we made to end the right of hereditary peers to sit and vote in the House of Lords.—[*Official Report*, 24 November 1998; Vol. 321, c. 33.]

He said that their existence was a "democratic monstrosity". [HON. MEMBERS: "Hear, hear."] His party still agrees with that. Now he is proposing to keep hereditary peers in a stage 1 reform—*[Interruption.]* It is no good Labour Members shaking their heads. What they do not know is that the Prime Minister proposes to keep hereditary peers in a stage 1 reform of the House of Lords. Where does that leave his principles?

The Prime Minister: I take it from that that the right hon. Gentleman opposes the deal that has been agreed by the leader of the Conservative party in the House of Lords. As a result, we will indeed remove hereditary peers. We will do it by consensus, stage 1 and then stage 2, so that we can ensure that there is room in the legislative programme for other measures as well.

We are agreed on our side. I believe that the party of the right hon. Member for Yeovil (Mr. Ashdown) will agree also. His party in the House of Lords has now agreed. It is clear from this exchange that the right hon. Member for Richmond, Yorks (Mr. Hague) no longer speaks for the Conservative party in the House of Lords.

Mr. Hague: The Prime Minister need be in no doubt who speaks for the Conservative party. Clearly, he is in no doubt that he speaks for the Liberal party and takes its acquiescence for granted. While we believe that his agreement to retain hereditary peers after stage 1 is a huge climbdown on the part of the Government, let me make it clear to him that we believe it is wrong to embark on fundamental change to the Parliament of this country without any idea where that will lead.

We have said before and we say now: no stage 1 reform without stage 2. Do not the Prime Minister's total lack of principle and his horse-trading confirm that it is common sense to put that reform on hold and await the report of the royal commission?

The Prime Minister: No. What is common sense is to get the thing done with as little fuss and as easily as possible, which we can now do. It is fascinating that the right hon. Gentleman is disowning the agreement that has been entered into by the leader of the Conservative party in the House of Lords. He may want to be in that position, but I doubt very much whether his party wants to be in that position. When he is provided with the means of getting reform through and agreed, he is more interested in playing games about the House of Lords than getting it done. Does he disown the deal made by the leader in the House of Lords, or does he agree with it? We should be told.

Mr. Hague: No deal has been made with the Conservative party. The deal to keep hereditary peers that the Prime Minister has tried to negotiate with the Conservative party does not address the fundamental point that the Government should not embark on major constitutional change without knowing where it leads. His proposal does not even satisfy the one principle in which he said that he was always in favour: the removal of hereditary peers.

Hon. Members on both sides of the House have approached reform of the House of Lords on the basis of a clear principle. Our position was "No reform without knowing where it is going"; until today, theirs was the removal of hereditary peers. Does that not demonstrate that the Prime Minister never had any principle on the matter at all?

The Prime Minister: In fact, it proves that, even when hereditary Conservative peers are prepared to agree to change, the right hon. Gentleman is not. That is the absurd position to which he has reduced himself. If anything demonstrates the way in which the right hon. Gentleman gets every major strategic judgment wrong, it is this.

We have the opportunity to reform the House of Lords properly, and to establish a programme that will remove hereditary peers, but will allow us to do that on the broadest possible basis of agreement. It is clear that nowadays, even when we speak to the leader of the Conservative party in the House of Lords, we cannot be sure that the leader of the Conservative party in this House is of the same mind.

Mr. Hague: What we know is that the Prime Minister intends to turn the House of Lords into a house of cronies,

and that he is now prepared to engage in any horsetrading that is necessary to achieve that end. It is beyond his comprehension that any politician can stand on a principle, and stand firm in his beliefs. I stand on the principle—*[Interruption.]*

Madam Speaker: Order. I have heard enough noise this afternoon.

Mr. Hague *rose—[Interruption.]*

Madam Speaker: Order. If this continues, I shall send some Members out of the Chamber.

Mr. Hague: I stand on the principle that it is not advisable for anyone to blunder in regard to the constitution until they know where they are going. After today, it will be clear that the Prime Minister stands on no principle whatever.

The Prime Minister: I cannot prevent the right hon. Gentleman from engaging on a kamikaze mission. I can only tell him that even his cronies in the House of Lords agree with me that we should try to get this reform through. If we can manage to get it through with the minimum difficulty, it will be in the interests of the country that demands such action.

Mr. John Cummings (Easington): May I ask an equally important question? Does my right hon. Friend, and good neighbour, share my welcome for the coalfield task force report which was launched yesterday in Peterlee—a town in my constituency—by the Deputy Prime Minister? Does he agree that the report's recommendations signal the need for the overdue repayment of a long debt owed by the nation to those living in former coalfield communities?

The Prime Minister: I agree. As my hon. Friend will know, many who were present at the launch were from my next-door constituency.

The existence of a proper programme to regenerate the former coalfield communities, and to bring them jobs and hope, shows that this Government—this Labour Government—take their debt to the miners very seriously.

Mr. Paddy Ashdown (Yeovil): Does the Prime Minister claim that the success of his health policy is demonstrated by the fact that, in the last six months, the number of people waiting for operations has been reduced by 100,000 as a result of a 100,000 increase in the number of people waiting to see a consultant?

The Prime Minister: No, because that is not what has happened. Waiting lists have fallen from their peak by about 120,000 since the Government came to power, as a result of the investment that we have made in the national health service. The reason for the rise in the out-patient list is the massive increase in the number of referrals. It is not the case that fewer people are being treated; in fact, more people are being treated.

Mr. Ashdown: May I direct the Prime Minister's attention a little more closely to a statistical bulletin which shows that the number of GP referrals over the past six months has dropped—not increased—by about 3,000? Is not the truth that the Government have made a political promise that they have funded only partly and that, to deliver it, they are robbing out-patient Peter to pay for in-patient Paul?

The Prime Minister: I do not think that those figures are right, actually. According to the figures that I have, 79,000 more out-patients were seen in the quarter ending September 1998 than in the previous quarter, and the figure is up more than 100,000 over the year since we came to office. We have been committed to reducing waiting lists, and we are reducing them, after years of rising waiting lists under the Conservatives. Those figures also show that we are reducing waiting times as well, because they are just as important. With the extra investment coming into the national health service next year, we will make sure that we not only fulfil our manifesto commitment, but exceed it.

Ms Tess Kingham (Gloucester): At the request of the people of Gloucester, I have been involved in a long campaign to get Channel 5 to drop its plans to make a mini-series about the West murders, which affected my constituency so greatly. It has refused consistently to meet the surviving victims or the victims' families, even when they came to London last week to deliver a petition. Channel 5 allowed a security guard to meet them on the doorstep.

This is not the first time that such a thing has happened. Channel 5 also has plans to make a soap opera about the Zeebrugge disaster, and another film company had plans to make a film about the Moors murders. Where will this stop, and is there any way that the Government can help to protect victims' families and surviving victims, so that they can remember their loved ones in peace rather than through the eyes of some soap opera star?

The Prime Minister: The House will be very sympathetic to the points that my hon. Friend raises, and I am sure that my right hon. Friend the Secretary of State for Culture, Media and Sport will note them as well. Any of the companies making such films should be sensitive and responsive to the needs and desires of the victims, who still live with the scars that those crimes inflicted.

Q2.[61229] **Mr. Richard Spring** (West Suffolk): Does the Prime Minister not recognise the rich irony of his Chancellor going to Brussels this week to discuss tax havens, when he could have got free, world-beating advice merely by asking the Paymaster General? Does the Prime Minister not appreciate that, inevitably, high taxes lead to high unemployment, as on the continent? That is the universal legacy left behind by every Labour Prime Minister.

The Prime Minister: First, we have cut corporation tax from the levels that we inherited from the Conservatives. Secondly, I do not believe that we will be alone in this argument on taxation in Europe at all. If necessary we will be alone, but I do not believe that we will be. What is more, I believe that there is a debate within Europe about the right way forward for Europe.

Some people want higher taxes in Europe; other people believe, as we believe, that the root to jobs and competitiveness is through economic reform,

employability and investment in skills and education. We will get engaged in that argument, and I believe that we will win it. We must not revert to the diplomacy of the Tory years that saw this country reduced to the margins of Europe, without any influence at all. We will stay firm, and we will stay engaged. That is the way to protect this country's national interests.

Mr. Martin Salter (Reading, West): Will my right hon. Friend confirm that the British economy is on course to meet Treasury targets and that attempts by Conservative Members to talk us into a recession are not only wide of the mark, but fatally flawed by the extraordinary comments of the right hon. Member for Wokingham (Mr. Redwood)? In my local paper last week, he said:

"Why do we need so much expansion instead of being happy with the balance we have? We do not need the economic growth."

The Prime Minister: I am hardly surprised at eccentric remarks falling from the lips of the shadow Secretary of State for Trade and Industry, but my hon. Friend is right to point out that the contrast is the Government providing fiscal and monetary stability through Bank of England independence and the new golden rules; the extra investment—£40 billion in health, education and other public services; and the working families tax credit and the new deal, to help low-income families and the unemployed. All are good measures for the British economy; all are opposed by today's Conservative party.

Q3.[61230] **Mr. Quentin Davies** (Grantham and Stamford): Does the Prime Minister remember all the promises that he made before the last election? Let me remind him of just one, which was made explicitly on his behalf, formally and in writing, by the Minister for Trade and Competitiveness in Europe, who said that

"the next Labour Government will introduce legislation to make age discrimination illegal."

Does the Prime Minister stand by that commitment?

The Prime Minister: Yes, we stand by it. Indeed, after years of inertia from the Conservative Government, whom the hon. Gentleman supported, this Government have done more on age discrimination in 18 months than his lot did in 18 years.

Caroline Flint (Don Valley): Does my right hon. Friend agree that it is important for Britain to argue in Europe for strong, independent taxation? It is scandalous that we inherited a system whereby the previous Government signed away our rights to zero rating for VAT on domestic fuel and the rights of British holidaymakers to buy duty-free goods.

The Prime Minister: The problem for the Government in trying to ensure that the provision of duty free goods is not abolished is the agreement made by the Conservative Government. The previous Government agreed all the measures on tax and harmonisation, just as they introduced more qualified majority voting than any Labour Government have ever introduced. Any action that we take will be based on our national interest. Our national interest requires us to be engaged and positive in Europe, and we shall hold to that position.

Q4.[61231] **Mrs. Theresa May** (Maidenhead): In May, the Chancellor of the Exchequer welcomed the appointment of the Financial Secretary to head the European working group on tax harmonisation as putting the United Kingdom at the heart of the debate. Is it because we are at the heart of the debate that we will be forced to scrap 10 tax incentives for industry in this country?

The Prime Minister: No. What the Chancellor said is absolutely right. The code of conduct on unfair tax competition was first discussed under the previous Government. We have taken that work forward to remove hidden state subsidies that distort the single European market. It is important that we play a full part in that debate. Is the hon. Lady saying on behalf of the Conservative party that we should opt out of that debate altogether? We have had the opt-out politics of the Tory party for far too long. The country will remember the difference between Conservative and Labour over Europe: the Conservative party fought a beef war and got nowhere, whereas the Labour Government got the beef ban lifted entirely in 18 months. That is the way in which to engage with Europe.

Q5.[61232] **Mr. Ian Pearson** (Dudley, South): Does my right hon. Friend agree that, although the problems are not over, the agreement between unions and management at Rover on flexible working, on which a ballot is currently being held, is a significant step towards securing, not only the long-term future of Longbridge, but many tens of thousands of jobs across the west midlands? Will he continue to campaign and to apply pressure to ensure that BMW's future investment plans include building the Mini and the new R30 model in Birmingham, and measures to strengthen the competitiveness and productivity of our automotive components base?

The Prime Minister: I pay tribute to the work of my hon. Friend in raising the issues of concern to his constituents. The only way to secure the future of that plant is by entering into such an agreement, which will raise productivity, improve competitiveness and guarantee that a high-quality product is produced at that plant. The Government shall play any part that they can. The fact that we have managed to get this programme together, agreed between unions and management, and that there is now hope for the future of that plant, is a tribute to that partnership, which offers the right way forward for industrial relations in this country.

Mr. Michael Mates (East Hampshire): Why cannot the Prime Minister bring himself to be as robust and firm with terrorists close to home as he was, rightly, with Saddam Hussein a couple of weeks ago? Is it a matter of pride for him that, even as he was receiving the plaudits of the Irish in Dublin, two grinning murderers were released who had committed possibly the most brutal public crimes of the entire troubles? Is it not time that the Prime Minister said to the IRA and Sinn Fein, "Enough is enough. We are honouring the letter and the spirit of the agreement. No more prisoners out until you do the same."?

The Prime Minister: It is for precisely that reason that it is important that we do honour the agreement. I understand the concerns of people who see those who have committed appalling murders being released on licence—not being given an amnesty, but being released

on licence. However, it is important, if we are to ensure that all the elements of the agreement are adhered to, including decommissioning, that we hold to our part of the bargain. We will do that and we have already made it clear that we expect every part of the agreement, including decommissioning, to be adhered to and agreed.

Q6.[61233] **Mrs. Linda Gilroy** (Plymouth, Sutton): Does the Prime Minister share the respect that I and, I imagine, many hon. Members have for Shelter, the campaign for the homeless, and will he join me in welcoming the innovative new service that it will launch tomorrow: a free 24-hour advice and assistance line for those facing homelessness, to be called Shelterline? Will he also welcome with me the partnership that has made that possible between the Department of the Environment, Transport and the Regions, British Telecom and a range of individuals and organisations through the public, private and voluntary sectors?

The Prime Minister: I support strongly the launch of Shelterline and welcome it. I also point out, in addition to what my hon. Friend rightly says, that the social exclusion unit and the special unit that will tackle rough sleeping in London will have some £145 million made available to it over the next three years. In addition, of course, it is this Government who are beginning to release some of the money—the £4.45 billion backlog of capital receipts—that will allow us to tackle some of the housing problems in our inner cities and elsewhere.

My judgment is that, if we proceed with the policies that we have set out now, combined with the new deal, both for communities in the inner city and for the young and the long-term unemployed, we will give many of those who are homeless the best chance and start in life that they have had for many years.

Mr. Alex Salmond (Banff and Buchan): Will the Prime Minister reflect on the fact that, last Thursday, he took part in a two-horse race in the north-east of Scotland and managed to come third? On the same day, he addressed a joint session of the Irish Parliament. Will he explain why, in that speech, he was so positive and complimentary about Ireland's success as a small nation in the mainstream of Europe, but, when it comes to Scotland, he is so negative and disparaging about Scotland emulating that example? Could that contrast explain why he received a standing ovation in the Dail, but the bum's rush in the north-east of Scotland?

The Prime Minister: I look forward to the debate that we will have in the Scottish Parliament election campaign next year, and I simply say to the hon. Gentleman that Scotland will have a straightforward choice. It will have a choice between higher taxes, worse economic prospects, business leaving Scotland, the inability to fund the extra investment in schools and hospitals—all the risks under the Scottish National party—and the chance of economic stability and investment in our public services under the Labour party.

What I notice about the hon. Gentleman is that the one issue that he never wants to engage in is the economic cost and risk of the policies that he advocates. My judgment is that, when the people of Scotland see that choice, it will be him that gets the bum's rush.

Q7.[61234] **Mr. Jim Cunningham** (Coventry, South): Will my right hon. Friend welcome the good news for the people of the west midlands and particularly Coventry that Rover has been saved, but, more important, that Peugeot Talbot will now expand, creating hundreds of jobs? Will he condemn the Opposition Members who talk Britain down and continually jeopardise the jobs of millions of people not only in the west midlands, but throughout the country?

The Prime Minister: I should also second the praise that Peugeot's managing director has given to the work force at Peugeot for improving productivity and quality. That is great news for Peugeot. It won the new orders in the face of intense competition from the rest of Europe. It is important and excellent news. It underlines also how important it is that we carry on being a constructive part of the European Union. If we can make sure that we drive up productivity and quality in the British work force and in British industry, the future of our country will be secure indeed.

Local Government Finance

3.30 pm

The Secretary of State for the Environment, Transport and the Regions (Mr. John Prescott): With permission, I should like to make a statement about the local authority revenue finance settlement for England for 1999-2000.

The services that local councils provide are vital to economic success and to making Britain a better place to live in. We are working with local councils through our central/local partnership to modernise and support local government.

On this occasion last year, I set out the Government's programme for the renewal of local democracy. It is an ambitious long-term programme, and I have further progress to report. In July, we published our White Paper on modernising local government. Yesterday, we published our Local Government Bill to sweep away the wasteful and unfair system of compulsory competitive tendering and replace it with best value, so that local people can get the quality of service that they expect at a price that they are willing to pay. The Bill abolishes crude and universal capping of council budgets and in its place provides more flexible reserve powers to prevent excessive increases in council tax, as we promised in our manifesto and as I have set out in the House on several occasions. The measures give local authorities greater responsibility for managing their own resources while providing protection for the local community.

Today's announcement on revenue funding should not be seen in isolation. We are tackling problems in a co-ordinated way, with extra resources to help communities tackle deprivation and improve housing and transport. Our spending plans for local government offer the most generous council tax settlement ever. They include: extra spending and extra protection for the taxpayer; a fairer distribution of grant; and three years of funding stability. They are the key elements of our approach to this year's local government settlement.

Total standard spending, as the House is aware, is the total amount of local authority spending to which we are prepared to contribute. Next year, it will be £50.62 billion. That is £2.6 billion more than this year, an increase of 5.4 per cent.

Education and health are our main priorities. Next year, we will invest an extra £1.4 billion in modernising education, an increase of 7.2 per cent. There will be more than £500 million extra for social services, in respect of which the Government's reforms werer set out in Monday's White Paper on social services.

We have announced further increases in the following two years. Over the three-year period, total standard spending assessments will increase by about 7 per cent. more than expected inflation. That new certainty helps councils plan ahead with greater confidence. Better forward planning and greater flexibility mean better standards of service and better value for money.

About half the money to fund total standard spending will continue to be provided by the Government. I propose that the revenue support grant should be £19.9 billion. In addition, some £5.9 billion of specific and special grants will be available to councils. The RSG figure may need to be altered slightly following consultation.

The business rate poundage will be increased by the September retail price index to 48.9p in the pound. We will redistribute £13.6 billion to local authorities next year. I am publishing the basis for that distribution today.

We are asking council taxpayers to contribute a fair share—no more, no less—to the cost of providing local services. We shall increase funding from Government grant and the business rate broadly in line with the overall increase in SSAs. If local authorities increase spending in line with the increase in their own SSA, council taxes will rise on average by 4.5 per cent.

As I told the House last December, this is the last year of crude council tax capping. I am therefore the first Secretary of State since the council tax was introduced seven years ago—after the disaster of the poll tax—not to set capping criteria in advance. However, I should make it clear that we expect local authorities to exercise self-restraint.

We are providing substantial real increases in funding, and local authorities should be concentrating on securing greater efficiency in the delivery of services and financial management, to increase further their spending power. There is no justification for excessive council tax increases. If we are faced with such increases, we shall not hesitate to act, as I have made clear to the House before.

We have to protect the country's interests as a whole. We shall not pick up the cost of excessive council tax increases by higher council tax benefit subsidy payments. We announced our intention to tackle that problem in the July White Paper.

We are setting a guideline figure, which will be a 4.5 per cent. increase in council tax, or a higher increase if needed to allow a council to budget in line with the cash increase in its SSA. A council that keeps within that guideline figure will have its council tax benefit subsidy payments reimbursed at the full rate. However, a council that exceeds the guideline will have to make an extra contribution to the cost of paying for the extra benefit. The council's contribution will increase gradually for each half a percentage point that the council tax increase exceeds the guideline.

I should make it absolutely clear that that provision will not impact on people in receipt of benefit, and that councils with a higher than average proportion of income from council tax benefit will be treated as though they had the average proportion. Poorer areas will therefore be treated no worse than the average.

On standard spending assessments, the national totals are important, but what every council wants to know is how much it will get and to be assured that the distribution is a fair one. Last year, I announced a number of changes to the SSA formula to make it fairer. For example, I brought up to date the formula for elderly residential social services, and ended the fundamentally unfair assumption that visitors and commuters were as deprived as deprived local residents.

This year, with the Local Government Association, we considered many possible changes. I should like to mention three matters on which we are proposing change, and a couple on which we have not reached a satisfactory conclusion.

First, after three years of discussion and research on children's social services, we have found a new formula, which I believe is well founded. It is undoubtedly an improvement on the formula that has been used for the past few years.

Secondly, I have introduced an allowance for sparsity in the part of SSAs that allows for the extra cost of providing social services for the elderly in their own homes. There will, therefore, be more for rural areas in that part of the SSA.

Thirdly, we are taking account of deprivation in the part of the formula that deals with what are called "county services", such as libraries and probation.

Sometimes, the search for an improvement is unsuccessful. This year, we have done a great deal of work, with local authorities, on two other big issues. The first, of course, was on the additional educational needs of some children. The other was on the area cost adjustment, dealing with the fact that pay costs vary significantly from one region to another.

In both cases, there are some valid objections to the current formula, and, in both cases, we have had many alternative reform proposals from which to choose. We had, for example, 21 detailed options on only the area cost adjustment. However, there was no clear frontrunner, either on merits or on its support within local government. It would not have been right to take decisions on the area cost adjustment and additional education needs now, when it is clear that there are unresolved issues raised by local government that need further work during the period of SSA stability. Maximising consensus is important to this Government—as it was not to the previous Administration.

I recognise that councils need time to adjust to the changes in SSAs. I shall pay a grant to limit the impact on council tax for those authorities whose losses due to changes in the SSA formula go beyond a threshold. I shall go further than the traditional damping arrangements. I guarantee that no local authority, north or south, will receive less government grant support next year than it did this year. It follows that there is no case for steep council tax increases.

The Government understand that the uncertainty created by an annual review of the SSA formula is unhelpful to local authorities who are trying to plan ahead. We now have a three-year period of funding stability for local government, during which we shall seek a long-term solution to the continuing difficult issues in the local government finance system.

We need to look at the scope for reform within the existing SSA system. For example, we are looki g for solutions to the area cost adjustment and additional education needs problems. That is not an easy task. We also need to look at the case for more radical reform, to produce a system that is clearer and more robust. We need a system that is more easily understood by the voter and accepted as fair and stable.

Local authorities must use this period of stability in their financing to concentrate on increasing efficiency and improving services, rather than on fighting their corner in the annual battle over their share of grant, but developing best value services for their community.

My Department is today writing with details of the settlement to every local authority in England. That package contains papers setting out how we propose to distribute central government support between authorities, including my proposals on SSAs and phasing in changes. It also includes details of how council tax benefit subsidy will be reduced above the guideline increase in council tax. Copies of that package have been placed in the Vote Office and the Library.

The proposals that I have outlined represent a break from the annual ritual that we have witnessed in the past. They represent the best settlement for seven years, they include changes to distribution to give a fairer and more stable system, they will ensure that no council loses grant and they will protect council tax payers from excessive increases in their bills. It is the best deal for years for local people. I commend it to the House.

Mrs. Gillian Shephard (South-West Norfolk): I thank the right hon. Gentleman for making available copies of his statement and the supporting documents. He is always scrupulous about that, and I am grateful to him.

Last year, the right hon. Gentleman's settlement for local government delivered a record 8.6 per cent. increase in council tax across the nation and an extraordinary political switch of £50 million away from London and £100 million away from shire areas towards his friends in the north. So much for his party's pre-election promise that new Labour was not about high taxes on ordinary families and so much for his so-called commitment to a fair distribution of Government grant.

The right hon. Gentleman also promised increased clarity and fairness in local government finance last year. It is strange that he should have chosen to make his statement the day after publishing a Bill—one of the few allowed him by the business managers—that, by abolishing compulsory competitive tendering, will certainly put up council taxes. By introducing a new crude and arbitrary form of capping, the criteria of which will be a secret known only to Ministers, the Bill will render local government less accountable, less transparent and less fair.

This year, the right hon. Gentleman had the chance to put right last year's damage, but he has chosen not to do so. Today's settlement is for no change. Taxes for ordinary families will continue to be put up across the board, the funding fiddle for his political friends will be perpetuated and nothing will be done to provide the increased clarity and simplicity in local government that he promised.

We welcome the extra money that the right hon. Gentleman has provided for education. I have two detailed questions on the distribution of the grant. Will he confirm that the settlement does not include any provision to compensate authorities for the £130 million cost of the Government's pension tax? Does he accept that the increase that he has announced for the fire service is not enough even to meet the costs of this year's 5.6 per cent. pay award to firemen? Will he admit that that will mean cuts in the fire service across the country? What does he suppose will be the likely reaction of the fire service unions?

On methodology, will the right hon. Gentleman explain how much of the £100 million that was taken last year from rural areas will be restored to them through the sparsity allowance that he has announced for domiciliary social services for the elderly? Which sparsity indicators will he use? Does his announcement mean that the county councils network was right all along?

Will the right hon. Gentleman explain how his proposals for capping will contribute to transparency, accountability and fairness in council finances? How will removing capping criteria from the public domain achieve that? What does he think is an acceptable council tax

[Mrs. Gillian Shephard]

increase, given that last year's increase was nearly 9 per cent? Perhaps he can tell the House what he means by "self-restraint".

Does the right hon. Gentleman understand that his proposals for council tax benefit will have the same effect as capping? Will they not transfer the cost of social security benefits from the Chancellor of the Exchequer to the council tax payer? Will he give a figure to show by how much he expects the change will lead to an increase in council tax? The Deputy Prime Minister has today promised jam tomorrow. Ordinary families, as he describes them, know that the bills will arrive next year.

Mr. Prescott: I thank the right hon. Lady for her opening remarks. Her history and her comparisons between this Government and the previous Administration seem to be at variance with the facts. In her area, Norfolk council will receive from the settlement 6.2 per cent., which is 6.2 per cent. more than it received last year, whereas, in the final year of the Tory Administration, it received an increase of 1.2 per cent. King's Lynn and West Norfolk district council will receive 3.6 per cent. more this year. When she was in the Cabinet, it received 1 per cent. less. The record should be made clear.

The Department of Transport, Environment and the Regions has almost 20 per cent. of the Government's legislative burden. We have at least three Bills on local authorities. Given what is going on, we may have more time in the programme for even more legislation. The Department's heavy legislative burden is about modernising local authorities and making the distribution of resources fairer. My statement has shown that the changes in the SSAs, which make some adjustments in the calculations for individual county areas, will create a fairer means of distribution and fairer criteria for the children's services. The changes has been generally welcomed—

Mrs. Shephard: I welcomed it, too.

Mr. Prescott: I am glad that the right hon. Lady welcomes it; that is a step forward. I readily accept, as I am sure she does, that it is extremely difficult to progress further on education and cost adjustments and to find solutions to those problems. We shall continue to work on those problems; the period of stability under the three-year programme will, I believe, help us in that.

The right hon. Lady mentioned resources in rural areas and the sparsity principle. When her local council recently made representations to me, I was not able to say that we had accepted the principle, but I am glad to confirm today that we have. That has made for fairer adjustment in some of the changes that we have made to last year's settlement. That means that rural areas will get more. I do not know the exact amounts, but I will write to the right hon. Lady to give the figures to her. Some of the details of the consultation paper are in the Library, and I am sure that she will try to make some assessment of them.

The fire service settlement takes account of the pressures facing local government services, including pay and prices, as well as the opportunities to make savings. There is plenty of room for improvement in efficiency, which best value will be able to identify. I am sure that Opposition Members will want to reinforce that point.

With regard to pensions and whether the settlement deals with the provision of an estimated £130 million to take into account the Chancellor's changes on pensions, I can tell the right hon. Lady that that figure is included in the settlement.

Mr. Giles Radice (North Durham): I thank my right hon. Friend for his settlement, and for the sympathetic way in which he has listened to my colleagues and me when we have described the problems of the hardest-hit areas. Will he take it from me that the settlement for Durham is fair and takes account of the level of need?

Mr. Prescott: Yes, that is at the heart of what we are doing—although we have not completed our work—and it is what the SSAs are about. In developing new criteria, there will be many changes from one area to another, and there will be many challenges in this House from those who are affected by those changes. The question from the right hon. Member for South-West Norfolk (Mrs. Shephard) about rural areas and urban areas is a classic example of that. There is an overall increase of 5.1 per cent. for the more sparsely populated areas, compared to 4.8 per cent. for England as a whole.

Clearly, we have a lot to do, and we shall take into account—as promised in our manifesto—fairer ways of dealing with the local government settlement. I must give notice that, although I am quite prepared to look at how we might find a proper solution to the criteria problem—indeed, I am doing so—a reform of local government financing is a far better way of dealing with it.

Mr. Paul Burstow (Sutton and Cheam): I thank the Secretary of State for his statement, and for the opportunity to see it in advance.

Liberal Democrats believe that the current system leaves council tax payers unclear about whom to blame when their council tax bills go up and when their services are cut. Is it not the case that the settlement continues a long tradition of smoke-and-mirror tactics so that local people are, once again, paying more but getting less for it? Is the right hon. Gentleman aware that there is a £1.6 billion gap in his plans—as estimated by the Local Government Association—which councils can bridge only by council tax rises and cuts in services?

Last year's settlement left social services struggling to balance their budgets, with two out of three councils increasing charges and restricting access to care services. Does not this settlement mean that children, the elderly and disabled people will face a real-terms cut in care services? Is it not the case that the number of primary school classes with more than 30 pupils rose as a result of last year's settlement? Will class sizes go up or down as a result of the settlement?

Is not the Secretary of State's plan to claw back council tax benefit nothing more than capping by another name, but a cruder form of capping than the crude and universal form of capping that he says that he wishes to replace? Does he accept also that his decision not to pre-signal his capping plans has left councils in a position where they will have to play Russian roulette with people's services?

In our view, this is a bad settlement. It represents a victory for the control-freak tendency in the Government and another defeat for local democracy.

Mr. Prescott: Liberals always amaze me—that is why I never sit down with them. Never mind the smoke and

mirrors—let us see what the hon. Gentleman's authority is getting, and people can then make the judgment. Sutton council is getting a 5.5 per cent. increase this year. That is certainly above the average that we have mentioned. Sutton is to get an extra £4.3 million for education—an increase of 5.9 per cent. Even the most inefficient local authority should be able to provide a better education system on that. It is receiving an extra £2.1 million for social services—a real and substantial increase of almost 8 per cent.

The settlement represents the best deal that Sutton has had for at least seven years. That is a matter of fact. To give me all the rubbish that the hon. Gentleman gave me about the settlement may be all right as Liberal propaganda and rhetoric, but it has little to do with the facts and does not address the real problems involved in providing good services.

The hon. Gentleman was concerned about real-terms costs. He should take into account the change from compulsory competitive tendering to best value. We believe—time will tell—that best value will bring increased efficiencies, and many business men have come to the same conclusion in their negotiations with local authorities. The hon. Gentleman has not taken those benefits into account.

Class sizes are falling, and we shall continue with that policy, giving more resources to education than ever before. What is more, that level of resources has been guaranteed for three years—something that no Government have done before.

I have made the distinction before between crude capping and the sophisticated Prescott version. Hon. Members may object to the term "sophisticated". I am trying to make the point that Governments cannot be indifferent to the level of expenditure by local authorities. We have given a fair and generous settlement—the best that local authorities have had for many years—but, if an authority is prepared to ignore that fact and say that it will spend more, we have a system under which it is allowed to raise the money—as was not the case under crude capping—but it will not receive all the public grant that would otherwise have come from Government.

Authorities can make that choice, but if their spending reaches a level that is totally unacceptable, I have a responsibility to intervene to protect the council tax payer. At that point, I can instigate a form of crude capping, but I do not have to limit it to one year. I can review the expenditure in the year that has gone—which I could not do before—and consider the phasing over the next few years. I can take those factors into account, so it is indeed a more sophisticated approach.

Mr. Frank Field (Birkenhead): I thank my right hon. Friend for both the command that he shows of an immensely complicated brief and the sensitive way in which he is going about the reform of a major area of our public finances. Is he aware that most local authorities will now be considering in detail how the settlement will affect them individually? If some find that their settlement is way out of line with the generality, will they be able at some stage to come to him, or to my hon. Friend the Minister for Local Government and Housing, to make a plea for transitional arrangements over and above what he has announced this afternoon?

Mr. Prescott: I thank my right hon. Friend for his comments. I do not believe that councils should be encouraged in any way to spend more than we have allowed for in the settlement—we think that the 5.5 per cent. is a very good settlement and that the allocations have been fair—but I am always ready to accept that there are sometimes exceptional circumstances, and we must take those into account in the process. My hon. Friend the Minister for Local Government and Housing will hold discussions with the local authorities in the consultation process. I recognise that there may be exceptional—and I mean exceptional—circumstances, and I am taking extra powers to be able to deal with them as I have suggested.

Mr. Peter Brooke (Cities of London and Westminster): Has the Deputy Prime Minister revisited his decisions of last year about day visitors and tourists in inner London, the consequences of which have already provoked criticisms from the Government office for London?

Mr. Prescott: No, we have not done so at this stage. I am aware of the criticisms that have been made. I would like to reflect on the matter and give the right hon. Gentleman a fuller response in a letter.

Mr. Bill O'Brien (Normanton): I thank my right hon. Friend for his support for local government. At least we now have Ministers who believe in local government, as the statement shows. The abolition of compulsive competitive tendering is welcome. A great deal of time was spent by local government officers working out the framework for CCT, and in many instances that was a waste of resources. I feel sure that efficiency savings will be made.

Will my right hon. Friend accept that my local authority of Wakefield suffered for many years under the Tories? We were deprived of finance for education, when it cost £1,000 less to teach a child in my constituency than it did to teach a child in some Tory London boroughs. I hope that we will see an adjustment, and the members of the Special Interest Group of Metropolitan Authorities will welcome the statement. We hope that we will have the opportunity in the next three years to build on the relationship that has been developed in the past 18 months between my right hon. Friend and his colleagues to ensure that the progress in local government that he has outlined today is maintained.

Mr. Prescott: I thank my hon. Friend for his remarks. On CCT, the evidence is overwhelming that least cost does not necessarily mean best value or the most efficient way to do things, and that is why we are implementing best value. We have been grateful for the support of many local businesses which have also come to that conclusion. Many difficult problems are associated with the education criteria for SSAs and we should not underestimate that. The problem is often seen as a north-south one, but that is not entirely the case. The difficulties faced in some London areas are very real, but people do not always understand that problems faced in the northern areas are also very real. I readily accept that any formula will affect both north and south, and, if anybody has come to a different conclusion, they are wrong. It is a difficult process, but perhaps the best solution is the one that we are working on with the local government associations for a radical reform of local government financing.

Mr. David Curry (Skipton and Ripon): Does the right hon. Gentleman remember with what violence his

[Mr. David Curry]

colleagues lambasted the previous Government over the area cost adjustment and what were regarded as the inequalities in the formula? Does he now accept that his failure to address either additional educational needs or the area cost adjustment, which are the two most disfiguring elements of the formula, means that we are stuck with the problem for the next three years, not just the next year? Will he confirm that the additional money for health and education is not hypothecated and, according to the tradition of local government expenditure, it is at the discretion of local authorities how they spend the additional money?

Mr. Prescott: Yes, it is not hypothecated and it is up to the discretion of local authorities. That concern was expressed about the extra education funds announced last year, which were funded by Government and were not an extra burden on the rate support grant. I am glad to say that more than 80 per cent. of local authorities agreed that the money should go to education. Some did not, and I regret that, but most local authorities recognised the priority even though we had no statutory enforcement or hypothecation. That approach was successful.

On area cost adjustments, the right hon. Gentleman's criticisms would have had more conviction if he had attempted to make changes during his period of office in government. He may have been sympathetic to change, but the Government were not. I do not know whether the right hon. Member for South-West Norfolk has any further thoughts on the matter, but she nodded her head when the difficulties were mentioned. I do not doubt that the difficulties are real. When people examine the balance between local authorities in the settlement on children's services, they will see changes in the distribution between north and south. Criticisms can be made, but it is not easy to make the distribution and it is not a simple matter of north-south.

As we said in our manifesto, the settlement must be fairer. We have achieved that in one area, but not in the other two. That is not because we have not done anything—my hon. Friend the Minister for Local Government and Housing has had many discussions on the issue and 21 detailed formulas for the area cost adjustment have been put before us. Many hon. Members have expressed their fears about changes to the area cost adjustment, but we will not funk it. We must have a fairer distribution and Ministers can defend their actions only on the basis that they are fair. What we have at the moment is not fair, but I want to achieve a consensus on the changes and that will take a little longer. I have already told the House that it will take at least three years, not one.

Mr. Eric Illsley (Barnsley, Central): I congratulate my right hon. Friend on his generous settlement. He has recognised the needs of coalfield areas, as he showed in his announcement yesterday in Peterlee. Of the 20 authorities originally capped in 1990 under the current system, 30 per cent. were coalfield authorities. Because of the flawed SSA methodology, those areas have always been behind in revenue support grant settlements. May I urge my right hon. Friend to seek greater fairness in distribution, and ask him to apply a degree of flexibility to council tax benefit rebates?

The position of the coalfield authorities—particularly Barnsley, my own authority—makes it likely that their council tax increases will be above the guideline figure that my right hon. Friend has announced today, and they will be affected by the loss of rebate. Will my right hon. Friend be flexible in considering areas, such as mine, that will be caught out by that?

Mr. Prescott: I am grateful to my hon. Friend for his remarks, but the target has been set at 4.5 per cent., and the settlement for his area is 7.2 per cent. As he recognised, that is quite generous, and it will deal with some special problems. In making my announcement about the coalfield settlement at Peterlee yesterday, I tried to establish a new fund to deal with coalfield area problems, and the money announced is extra money, £350 million over and above what we are settling today. The same was the case with the new deal housing programme and with education funding. Local authorities will receive not only the money that I am announcing today; many settlements of huge amounts of resources will be used to meet specific problems. The settlement through the SSA on children has meant that the coalfields have been taken more into account, because that had discriminated against them. My hon. Friend appears to be telling me that his council will be spending more, but I ask him to remind the council that there will still be Prescott's sophisticated capping.

Mr. Eric Pickles (Brentwood and Ongar): The right hon. Gentleman has described his settlement as the most generous in history. That certainly is not the case for Essex, which falls £28 million short just of standing still. If the settlement is generous for the rest of the country, that generosity is built on the backs of the elderly who are being taken care of in social services in Essex and of our schoolchildren.

Mr. Prescott: I am having considerable difficulty in taking into account the fact that hon. Members are saying the settlement is not fair or generous. Essex county council will receive a 5.7 per cent. increase this year, and I must make the inevitable comparison with what happened during the final year of the previous Administration in 1995-96 when Essex received only 2.7 per cent. However the assessment is measured—by percentage or in absolute terms—it is a fair one, and we have settled not for one year, but for three. Considerable resources will go to the local authorities.

The hon. Member for Brentwood and Ongar (Mr. Pickles) is an expert in local government, and he spent considerable time in it, but I cannot, by any stretch of the imagination, accept his argument that the authorities are not benefiting. Essex alone will receive £27.6 million for education, an increase of 5.6 per cent., although, as I recall, the council did not spend on education all the money it received for education last time round, but chose instead to spend it on roads. I think that that was the wrong priority, but the authority had the right to do so.

Mr. Dennis Skinner (Bolsover): My right hon. Friend went to Peterlee yesterday to announce the £350 million package for the coalfield areas, and, as my hon. Friend the Member for Barnsley, Central (Mr. Illsley) has said, that will intertwine with changes to the SSA. I have

listened to some of the figures that my right hon. Friend has trotted out today, and have heard that Norfolk will receive 6 per cent., that the hon. Member for Sutton and Cheam (Mr. Burstow) is getting 5.5 per cent. and that another area represented on the Opposition Benches is also getting 6 per cent. I am beginning to think that Derbyshire might have won the lottery, although probably not.

In order to repair damage to the coalfields, there must be a redistributive element to SSAs, and it must go along with the package that my right hon. Friend announced yesterday in order to ensure—this is the principal thing that he must do—that we do not lose jobs. May I have his assurance that that will be a continuing theme so that we can repair the tremendous damage that the Tories did to the coalfield areas?

Mr. Prescott: I can assure my hon. Friend that many people are employed by local authorities. At a time when the private sector is perhaps thinking of cutting back, thank goodness local authorities still have the resources from the Government to provide local services which, at the same time, provides jobs. That is not an unusual situation between the private and public sectors in the development of a cyclical economy.

My hon. Friend said that some local authorities have received a settlement of 5.5 per cent. I doubt whether he would describe Derbyshire's settlement as a lottery, but it did get 6.1 per cent. It is a good example of the extra resources announced yesterday in our coalfield community policy, which involves an extra £345 million to deal with the damage brought about by the savage attack on those communities by the previous Administration. We are now trying to deal with that by increasing housing and jobs and by improving the environment in those areas, particularly in Derbyshire.

I am aware of the call that Derbyshire's local authority made at the conference yesterday for a connection to the M1 motorway. That is being considered and, as the local authority pointed out, that is important for the development of jobs in Derbyshire. We are happy to do all that we can to help meet the criteria that my hon. Friend has laid out.

Sir Paul Beresford (Mole Valley): This year's announcement, together with last year's, hides a large redistribution of funds to crony councils. Some of the councils that are not receiving this shift in funding will have some difficulties. They will be looking at their council tax and at what the Secretary of State calls Prescott's sophisticated capping. Perhaps we could rename that Prescott's subjective capping. What sort of percentage increase would make the Secretary of State think of looking at subjective capping?

Mr. Prescott: It works to a formula. It is not a question of whether or not I like a council. The House would not allow me to exercise such a prejudice. Although that happened under the previous Administration, we would not want to do it because it would not be fair. We must have fair criteria. For every half percentage point over 4.5 per cent., there will be a loss of Government grant for local services, equivalent to about one eighth. One can calculate that, if it went over by 4 per cent., there would be a full penalty and all the grants could be lost. By that stage, I would have intervened because the local authority would have to consult me. I would then exercise a judgment about whether to move to Prescott capping.

There may be a real and justified reason for moving from 4.5 to 5 per cent.—that was mentioned earlier by my hon. Friend the Member for Bolsover (Mr. Skinner). From the figure of 4.5 per cent. up to the total cap, we are prepared to let the local authority spend as it wishes, but we are not prepared to give grant for any expenditure over that amount. I think that that is fair. Local authorities can make their own judgment about what to spend—crude capping prevented that, but this system does not—and that can continue until it reaches a stage that I believe is excessive. That is what I have just announced.

Surrey county council has a 4.6 per cent. increase whereas, under the Conservative Government, it received 1.7 per cent. Obviously, I have a little slip of paper for every hon. Member who stands up pointing out what happened to their local authority under the Conservative Government. It is a fair point to make and most criticism from Opposition Members can be judged on that alone. There is a change when one moves from Government to Opposition and from Opposition to Government and it is far better for us to be on the Government Benches.

Mr. Paddy Tipping (Sherwood): My right hon. Friend has been clear and determined in his support for coalfield communities and his aspirations to help coalfield local authorities such as Nottinghamshire. Can he confirm that this is a good settlement for coalfield communities but, at the same time, accept a degree of regret that the big issues such as area cost adjustment and additional educational need have not yet been resolved? If my right hon. Friend waits for consensus on this issue among local authorities, he will be waiting for a long time. I hope that he will take a determined approach to resolve these issues.

Mr. Prescott: I accept that it will be difficult to achieve absolute consensus on any of those problems. The example of agreement that I gave to the House was not agreed by everybody. There is a time when one has to make a judgment. However, it is better to have a formula that does not involve open warfare, which, as my hon. Friend knows, is what we have seen in the House and in other places from time to time.

We can make advances, but we have not had sufficient time to do so. Over the next three years we shall make calculations and further extend discussions to find out how we might achieve that.

As I said—I still feel strongly about this—the solution may well be to try to find a better form of local government financing, but that is never an easy proposition, any more than standard spending assessments are easy—as anyone who observed the development of the poll tax will know. We shall continue to try. We have had some success and we shall continue to work on the more difficult problems.

On the settlement for the coalfield communities, Nottinghamshire got a 5.5 per cent. increase, which it will view as an improvement. The coalfield communities settlement will benefit several areas, but it is very specific to those communities. The settlement was regarded as a welcome contribution in Peterlee. The change in the

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SSA relating to children's services has also benefited the coalfield areas because the old criteria tended to discriminate against them.

Mrs. Angela Browning (Tiverton and Honiton): I have a favour to ask of the Deputy Prime Minister—he will gather that I am desperate. Will he receive a delegation from Liberal Democrat-controlled Devon county council between now and February? The council has been lobbying for a meeting and his Department is usually quite generous about that. When he meets council representatives, will the Deputy Prime Minister ask them why the money that they have received from the centre for flood defences—there is a total underspend by the council of £1.3 million—is not being spent?

The Deputy Prime Minister will be aware of the devastation in my constituency in places such as Gittisham, Ottery St. Mary, Cullompton and Whimple. I declare an interest, in that I live there and I too was flooded out. The Deputy Prime Minister would save me having to raise the matter in an Adjournment debate. Devon county council hopes that it can persuade him to increase the money that he intends to give it. He could do my constituents a great favour in return by examining how the council controls the money that it receives and, in particular, how communities are disadvantaged by the way in which the council spends the money that it is allocated for flooding.

Mr. Prescott: The hon. Lady raises an important point, and it is one that we have considered. I do not know how the settlement affects Devon, but money has been put into accounts for several local authorities to deal with flooding. They have been claiming back money on the basis that there are funds in those accounts, but we shall now reimburse only the money that is spent. Several authorities have been burrowing away the money and not using it for flood defences.

Mrs. Browning: Yes, that is what the Liberal Democrat council has been doing.

Mr. Prescott: I take the hon. Lady's point. If that is what the Liberal Democrats have been doing, it is terribly disgusting. We are about to change that system. It is typical of the Liberals to hide the money and then call for more.

Dr. Howard Stoate (Dartford): I congratulate my right hon. Friend on what will be seen as a fair settlement for Kent of 4.7 per cent. I congratulate him particularly on reserving judgment on removing the area cost adjustment, which he will know is a concern to boroughs such as mine in Dartford which stood to lose many of their services. When he gets round to the detailed and complex discussions on the area cost adjustment, will he take into account the great difficulties faced by borough councils that do not have social services and education in their budgets? Will he also recognise the significant pockets of deprivation that exist even in leafy areas such as Kent?

Mr. Prescott: We want to take those matters into account. I mentioned earlier, in regard to proposals made by county councils about using sparsity as a criteria, that we have taken that into account. Whether we are considering the provision of library services or elderly services, we have made an adjustment and it is reflected in the settlement today.

I can tell my hon. Friend that we have been discussing the area cost adjustment ever since we came to power. We have narrowed down proposals to 21 formulae. I am not yet convinced that we have one that I can bring to the House and say with confidence, "This is right and proper and it is the fairest method," so I have not come here today to make further advances on that. My hon. Friend can rest assured that the services provided by local authorities will be taken into account in assessments.

Mr. Tony Baldry (Banbury): Last year, Oxfordshire county council managed only by moving a substantial chunk of education spending to prop up personal social services spending, and by substantially hiking the council tax bill. What does the Deputy Prime Minister say to those in Oxfordshire who are worried that, this year, the settlement might result in another substantial hike in the council tax bill, and a substantial reduction in social service provision in the county?

Mr. Prescott: I recall people from Oxfordshire making a very similar case to me. It was a reasonable case. We had some disagreements about it, but I understood their problems, which resulted from the fact that the previous Administration gave them a very restricted contribution.

There is a great difference between the latest settlement and that made in the last year of the previous Administration. Oxfordshire county council gets a 3.8 per cent. increase in this year's settlement; in 1994-95, when the Tories were in government, the council got an increase of 0.5 per cent.—half a percentage point. No wonder Oxfordshire had problems providing services. That was the settlement that we inherited from the previous Administration.

This is our settlement—our judgment about fairness—and 3.8 per cent. compares very favourably with 0.5 per cent. under the hon. Gentleman's Administration. It means that Oxfordshire gets an extra £9.5 million for education. That is an increase of 4.6 per cent.—a substantial increase, which fairly represents the best deal that Oxfordshire has had for years.

Mr. Harry Barnes (North-East Derbyshire): Although there is still a lot of work to be done on area cost adjustment and educational needs, I congratulate my right hon. Friend on the 5.4 per cent. increase overall in the total spending assessment, and on an increase which was said to be 7 per cent. in real terms over three years. I understand that Derbyshire county council will get a 6.1 per cent. increase, and that its police will get a 6.4 per cent. increase. There have been considerable problems in both areas. However, the figures are not great, given those for other district councils.

I understand that education provision is very much to the fore in connection with the county's position, but has the idea of enhancing the population figures been considered? North East Derbyshire district council suffers because it loses a considerable amount of money owing to the fact that people work in Sheffield and Chesterfield. That fact needs to be taken into account by the

Department for the Environment, Transport and the Regions in assessing a fair settlement for the district council.

Mr. Prescott: This is another part of the argument about the criteria for SSAs and the area cost adjustment. Arguments about population will be considered, as will arguments about many other factors. Views differ, and I should like more information and more discussion before I reach a conclusion.

Each settlement takes into account the services that are provided by each authority, and the 6.1 per cent. for Derbyshire county council takes into account police services, which my hon. Friend rightly points out are being given 4.1 per cent. However, he must take into account the fact that the Home Secretary looks to the police for a 2 per cent. improvement in productivity this year. These settlements and accounts are based on efficiencies and productivity.

Mr. Geoffrey Clifton-Brown (Cotswold): On the face of it, the settlement for Gloucestershire county council looks generous, but it is based on smoke and mirrors. The education settlement is 1 per cent. below the national average, although Gloucestershire is already among the lowest-spending councils on education in the country. Our police settlement will involve a £1.5 million cut in the police budget. The council tax payers of Gloucestershire will suffer, because the council tax that they pay will increase by considerably more than the average of 4.5 per cent. If that is the case, will it not simply be a distribution from the shire counties of this country to the northern urban counties, paid for by the council tax payers of the shire counties?

Mr. Prescott: Another claim for smoke and mirrors. At least, before giving his analysis, the hon. Gentleman felt obliged to say that the settlement looked generous. It not only looks generous; it is generous, whatever it is compared with. The 5.7 per cent. increase that Gloucestershire is receiving is far better than the awards in many years under the previous Administration, and far better than was given last year.

I know that the hon. Gentleman is not criticising the education settlement, but I am sure that people in Gloucestershire will welcome the fact that there will be £12.1 million more for education—one of our priorities. The hon. Gentleman appears to be arguing that there will be a shortfall in police funding, but he is not taking into account the agreement between police authorities and the Home Secretary on the efficiency and productivity improvements to be expected this year. That, of course, runs right through the local authority settlements. I am not simply giving money to the local authorities and telling them to get on with it.

Local authority modernisation means giving best value. I expect services to be delivered more efficiently and effectively, with greater productivity; otherwise I am wasting money that I could be providing for other services. That is what best value is about and what I intend to bring about. It is not smoke and mirrors, but a real increase and a benefit to the hon. Gentleman's constituents. It is a pity that he did not finish by saying that, on further reflection, it was a good settlement—but we live in hope.

Mr. Gordon Prentice (Pendle): This is indeed a good settlement. Will my right hon. Friend say a word or two about the other services block, which is important to small district councils like mine in Pendle? In particular, environmental health officers have new responsibilities for monitoring air quality, policing food establishments and so on. I want to be reassured that the settlement will ensure that the money goes where it is needed in those front-line environmental health departments.

Mr. Prescott: We have made clear what the standard spending assessments are, what the services are and what money will be provided for them. The local authority can make a judgment about how the money is spent and what it considers to be its front-line services. We cannot hypothecate or ring-fence, as we said before about education. We sincerely hope that local authorities will use their good judgment to spend on those services, based on the SSAs. If they have any doubt, they can talk to my hon. Friend the Minister for Local Government and Housing, who will be going through the consultation procedures on the matter. With regard to the extra burdens that will be placed on my hon. Friend's Pendle authority, they will be taken into account, but the judgments will ultimately be made by the local authority.

Mr. Edward Davey (Kingston and Surbiton): Last year, the Deputy Prime Minister referred to Kingston as a "leafy borough" and went on to announce one of the worst settlements for our borough for many years, resulting in cuts across the board. If this is indeed one of the most generous settlements in the past seven years, does he realise that the others have been really mean? Does he realise that there are pockets of genuine need and deprivation in boroughs such as Kingston and other boroughs in London? Will he confirm that as his SSA changes are phased in over the next few years, London boroughs such as Kingston will lose out?

Mr. Prescott: I still think that the settlement is generous. My reference to leafy Kingston recalls the time when I fought my first election as a candidate in Hull, which was Kingston-upon-Hull, against the representative of Kingston-upon-Thames, who later became the Chancellor and then Lord Lamont. I can tell the hon. Gentleman that compared to Hull, Kingston-upon-Thames looks rather leafy.

We want fair criteria for the distribution of resources. The settlement for Kingston is a 4.8 per cent. increase, with £2.5 million for education. That is not chickenfeed, by any measure. The changes in the SSA, some of which we have already introduced, as I told the House, are required for a fairer distribution, whether to meet educational needs or the area cost adjustment. We are working on that, and I have told the House what I intend to do.

Mr. Andrew Dismore (Hendon): I welcome my right hon. Friend's decision not to change the additional education needs formula for this year. In London, we recognise that there are anomalies in the formula, but we have special problems—for example, in my local authority, Barnet, a substantial number of children have English as a second language. I assure my right hon. Friend that in London we are committed to working towards a consensus to sort out that difficult issue.

Mr. Prescott: My memory did not serve me well when I was trying to think of all the local authorities and extract the information on Barnet.

[Mr. Prescott]

Educational needs, like area cost adjustments, create difficulties in assessing the differences between various parts of the country, which are often identified as London and the rest, or as north and south. We will take into account the need for a fairer settlement. As my hon. Friend knows, the present settlement is 4.2 per cent. and almost £7 million more for education. I believe that he will welcome that. We must await the final results of the work that we are doing on the new assessments for educational needs.

Mr. James Gray (North Wiltshire): Salary costs in Chippenham, which is in my constituency and which does not benefit from the area cost adjustment, are precisely the same as salary costs in Newbury, just over the border in Berkshire, which does so benefit. Does the right hon. Gentleman not realise that, owing to the very nature of the area cost adjustment, he will never achieve consensus? Those close to London will want to keep it, while those away from London will want to do away with it.

Does the right hon. Gentleman recognise that a tax is being imposed on areas such as mine? Is not the only clear way to deal with the area cost adjustment to get rid of it once and for all?

Mr. Prescott: That may well be a consideration. I do not necessarily agree with it, but such suggestions have been made by various parties that approach the matter from different angles. They all have solutions that favour them, but do not necessarily favour the other areas affected by the criterion.

Last year, my hon. Friend the Member for Cambridge (Mrs. Campbell) made a similar point about the need to recognise the difference between boundaries, and the effects of what is done. It is a real problem, which I cannot ignore, and we shall take it into account. Once we begin to draw lines in relation to different criteria, there is always an interface; but there is always an interface between the rich and the poor. We must make a judgment.

Wiltshire county council is receiving an extra 6 per cent. this year. I am glad that the hon. Gentleman did not criticise that amount, because I need not go on to say that, in the last year of their Administration, the Tories provided only 3 per cent.

Dr. George Turner (North-West Norfolk): I congratulate my right hon. Friend on the poker face that he managed to maintain when he came to Norfolk last week to announce the publication of a White Paper on the issue, and on the pleasant and straightforward way in which he and his colleague heard the many representations from the county.

My right hon. Friend has already given the figures for Norfolk. As the former chairman of the education committee who had to implement the last grant settlement under the last Government, I know how much better the present chairman will feel when he sees those figures tonight.

What my right hon. Friend has said is evidence of new Labour's willingness to look afresh at issues that have plagued Norfolk for 18 years. However, although this may be a good settlement for the three years to come, I join those who agree with my right hon. Friend that we need to consider the establishment of a more comprehensive system, which is seen to be fair. I hope that the three years will be used for that purpose.

Mr. Prescott: I thank my hon. Friend for what he has said—especially his reference to Friday's meeting in Norfolk, which involved Members of Parliament on both sides of the House. It was an excellent meeting, attended by members of local authorities and representatives of the agriculture industry. I announced the Government's intention to publish a rural White Paper to examine the problems. As I have said, I thought that the meeting was excellent, and I believe that everyone left it with the same impression.

My hon. Friend has raised an important point, which was borne in on me again in Norfolk. The county made clear its feeling that it had suffered under the previous Administration, because more money went to the shire districts than to the county. To be fair, I must add that more was still going to the county, but it was distributed differently owing to the different formulae used for the districts and the county. The changes that I have announced will reverse that, to the extent that more will go to the county, because of the definition of the services and the sparsity criteria that we have accepted. In any event, whether the money goes to the county or the districts—I know that different services are involved—there will be more and better resources than ever before, however they are distributed.

Mr. Nicholas Winterton (Macclesfield) *rose—*

Madam Speaker: Order. I did not see the hon. Gentleman in the Chamber at 3.30 pm. Has he been present throughout the statement and the subsequent exchanges?

Mr. Winterton: I am afraid not. I had another engagement in the building. I was going to apologise, if you called me, Madam Speaker, for being absent for part of the statement.

Madam Speaker: I do not call any Member who has been absent for any part of a statement. I have been making that clear for some time.

Mr. Barry Gardiner (Brent, North): I thank my right hon. Friend and his colleagues for the care with which they have listened to representations over the past few months, and in particular, for their response in regard to additional educational needs and the arguments for retaining ethnicity criteria.

As my right hon. Friend knows, in the borough that I represent 106 languages are spoken, and in our schools English is the second language for 61 per cent. of children. That makes my right hon. Friend's proposals particularly welcome. Will he consider the ethnicity criteria changes in personal social services? I believe that they will have an extremely deleterious effect on my borough of Brent, and a number of others. I should be grateful if my right hon. Friend and his colleagues agreed to meet representatives from my local authority, and others who are affected, to consider the matter further.

Mr. Prescott: I am grateful to my hon. Friend for the way in which he raises this matter, because it reminds

hon. Members on both sides of the House that different authorities will be affected if the criteria are changed. There is a legitimate complaint and concern here; however fair we have been in finding that formula, there will be legitimate grievances against the conclusions that we have drawn.

Brent is certainly one of those authorities—the SSA increase is 3 per cent., and my hon. Friend has explained the reasons why. I tried to explain them to a number of northern councillors at a recent meeting. They all think that this is a north-south business, but we have to point out that poverty, whether in leafy Kingston or wherever, is in all our areas. We all have areas of poverty and deprivation, which the House will want to try to help.

My hon. Friend has a very good point, and I am well aware of it. Although there will be better settlements in respect of capital receipts—his area will benefit—that does not mitigate his central point. When we make changes in these criteria, we cannot always assume that there will be proper distribution, in the way that we want. The criteria can work effectively against what we intend. I think that that has happened in Brent, and I should be delighted to meet my hon. Friend to talk about the conclusions of this.

Mr. Christopher Leslie (Shipley): Last but not least, may I also thank my right hon. Friend for the many millions of pounds extra that he has announced in the settlement for the Bradford district? In particular, will he confirm that one of the most significant aspects of his announcement is the three-year planning period, which will encourage efficiency and modernisation of local services? At last we will be able to get that long-term planning into local government finance.

Mr. Prescott: I very much agree with my hon. Friend. Our judgment was that a three-year expenditure programme would be a lot easier for local authorities, and I think that they generally feel that they can now plan over three years. Although that is a longer period, it gives considerable time to examine area cost adjustments, educational needs and those other matters that we are concerned with on SSAs.

I recall—I chance my arm on this—that the authority that my hon. Friend represents has shown that, under the new criteria, it will get less in some of these areas, under the formulae on children. There has been argument about north versus south, but a southern authority and a northern authority will both be affected by the criteria—which belies the assumption that this is a simple north-south issue.

Millennium Compliance (Quarterly Review)

4.38 pm

The President of the Council and Leader of the House of Commons (Mrs. Margaret Beckett): Since the previous quarterly review, which I announced on 9 September, we have continued to monitor closely the progress that is being made by Departments and agencies in tackling the millennium bug. We have also taken steps to improve the quality of information about those key parts of the wider public sector which, for the first time, we included in the review last time. I have arranged for all completed questionnaires to be placed in the Library of the House and published on the internet.

The Government are leading by example in making public our plans, and our openness on the issue has been much welcomed by business and other organisations that need to prepare for the bug themselves.

It is important to recognise that the millennium bug is not simply an information technology issue, but has to be approached and managed as a business issue—a threat to every organisation's ability to deliver its core services and carry out its core functions. Failures in external suppliers or partners could have an impact on Departments and agencies, and that needs to be recognised and taken into account in planning for 2000.

Over the past quarter, we have been placing increasing emphasis on business continuity, including supply chain issues and contingency planning. To reinforce the importance of the issue, I have asked all Departments to ensure that they have initial business continuity plans, including contingency plans, in place by January 1999.

Slightly more than a year has passed since the Government first published details of Departments' and agencies' plans for tackling the bug, and this is the fourth quarterly review of those plans. It is clear that steady and determined progress is being made by the Government as a whole in tackling the bug, particularly in respect of business-critical systems. The overall cost estimate remains stable at about £400 million.

Three quarters of Departments and agencies have now completed 50 per cent. or more of the necessary correction work on business-critical IT systems. That figure is up from half the Departments and agencies in the last quarter. Two fifths have completed 90 per cent. or more of the work, which doubles the figure for the last quarter. I am pleased in particular by the quality of the programmes and the progress of the Department of Social Security, the Department for Education and Employment, the Ministry of Agriculture, Fisheries and Food, and Her Majesty's Customs and Excise. I am encouraged that a number of the smaller agencies are reporting completion of all the necessary correction and testing of their business-critical IT systems.

Despite the generally good progress that is being made across central Government, and the overall quality of Departments' year 2000 programmes, the review has highlighted a few organisations that have individual systems with late completion dates or whose targets have slipped. They are the Medicines Control Agency, the Inland Revenue, the Driver and Vehicle Licensing Agency, and the Departments of Finance and Personnel and Health and Social Services within the Northern Ireland Office. I have written to colleagues to raise these concerns.

[Mrs. Margaret Beckett]

In view of the importance of the armed forces to national security and the wider public interest, their rectification programmes are a particular priority. It is vital that the progress made to date be sustained.

The last review highlighted concern about progress in tackling problems in telecommunications and embedded systems. Considerable progress has been made in those areas over the past quarter, and almost all Departments and agencies have now completed their inventories of these systems. The target completion dates for work on business-critical telecommunications systems are now comparable to those for critical IT systems in most Departments. However, the target completion dates for critical embedded systems are slightly later on average, mainly because of the difficulty in identifying all vulnerable systems, and the reliance of Departments on suppliers to provide solutions. I shall be raising this issue with colleagues.

In most cases, Departments and agencies have also had assessments of their year 2000 programmes carried out by their own internal auditors. Some of the larger Departments—for example, the Department of Social Security and the Ministry of Defence—have also used independent external consultants as a further check.

I am reassured that there is little evidence of a serious, widespread IT skills shortage across central Government. Only nine of the 80 returns reported skills shortages, and those were smaller agencies on the whole. A number of Departments have taken practical steps to retain staff where necessary, in the form of a recruitment and retention allowance.

There has been real progress in tackling supply chain issues. A large majority of Departments have now identified and contacted their key suppliers, and report an improved level of response from their suppliers.

Over the last quarter, we have also been working with organisations within the wider public sector to improve the quality of information in their returns. I am particularly pleased with the returns for the BBC, British Nuclear Fuels, and the police and fire services, which give us a far more accurate picture of preparations in these key areas. The returns for British Nuclear Fuels, the BBC, the Civil Aviation Authority, including National Air Traffic Services, London Transport, the Bank of England, and the Post Office show that all are continuing to make good progress.

The Environment Agency has a key role in flood defence and pollution prevention and control. The agency is particularly dependent on embedded systems, but its current return shows that work on two of its critical systems is not scheduled to be completed until the second half of 1999. This is a cause for concern, and I have written to the Secretary of State for the Environment, Transport and the Regions to raise this issue.

Reports by police forces in England and Wales show that, on the whole, progress is satisfactory. However, in a number of cases, completion of work on business-critical systems is not expected before the last quarter of 1999. The Home Office will be working with the Association of Chief Police Officers and the Police Information Technology Organisation to see to what extent these target dates could be brought forward. In addition to the cumulative report that we are publishing today, each force is also publishing today its response to our questionnaire on the United Kingdom police website. Police forces in Scotland are also making satisfactory progress, and all work on business-critical systems should be completed by the end of the third quarter 1999. ACPO Scotland will be publishing the returns from individual forces on its website.

Her Majesty's inspectorate of fire services has set up a task group to lead work in addressing the bug throughout the service and to ensure that brigades take the necessary action. It will urgently address the needs of those brigades that are giving the most cause for concern. Fire brigades in Scotland are well advanced and all compliance work should be completed in good time.

The details of the most recent quarterly monitoring returns from all NHS trusts and health authorities in England are being published on the internet today. The returns show that steady progress continues throughout the NHS as a whole. However, the review also showed that a few trusts and authorities are lagging behind in their preparations for the bug. Again, that causes concern and is being followed up urgently by the NHS Executive regional offices.

The estimated cost of dealing with the year 2000 problem in the NHS now stands at about £320 million, a slight increase on the previous quarter's estimate of £310 million. The NHS in Scotland and Wales is also making satisfactory progress. Quarterly reports of progress throughout the Scottish health service are available on the Scottish Health website.

The results of the latest NHS review are consistent with the Audit Commission's recent analysis of progress throughout the NHS, which was published on 11 November and entitled "Time Marches On." The Audit Commission's report commented that many NHS organisations have made "significant progress" over the past six months, but noted that a small number were lagging behind.

The Audit Commission also reported on the progress of local government throughout England and Wales in "Time Marches On." That is expanded on in analysis that it published today as part of this quarterly report. It shows that, although authorities that were already making steady progress are continuing to catch up on the benchmark, the proportion of authorities that have not completed an inventory of their IT and embedded systems is unchanged from the previous statement.

That is a source of considerable concern. The Local Government Association and Local Government Management Board have increased their efforts to engage local authorities at all levels through regional meetings and guidance. The Department of the Environment, Transport and the Regions will discuss with them and the Audit Commission how best to target assistance to areas that are the highest priority and where the greatest difficulties are being experienced, particularly as shown in the report on district councils. The appointment of a full-time year 2000 co-ordinator by the Convention of Scottish Local Authorities in October is helping to ensure that Scottish local authorities are making consistent progress.

Looking at the overall picture, I believe that good progress continues to be made throughout central government and the wider public sector in tackling the

millennium bug. However, I have identified a number of areas where there are key concerns. The Government will pursue progress rigorously in those areas over the coming quarter.

The Government continue to take the millennium bug extremely seriously. Little over a year remains until the century date change and we will maximise our use of the remaining time to ensure that we are in the best possible shape to meet the millennium. We have pursued that objective since we took office; we will continue to do so.

Mr. John Redwood (Wokingham): I thank the right hon. Lady for her statement. In view of the importance of the issue, the Opposition welcome regular quarterly progress reports to the House. It is like old times being able to ask her a few questions about how progress is developing.

Labour politicians think that their job is managing the media, rather than the Government. Nowhere has that been more obvious than in their mismanagement of the millennium bug. *[Laughter.]* Labour Members should not laugh because this is a serious problem which the Government are not grappling with.

As the executive director of Taskforce 2000 has said:

"The public sector is in trouble. It has been slow to get to grips with this and now is forced to engage in damage limitation."

His report found a lack of money committed to the task, predicted, in his words, death by 1,000 cuts for some public services, and concluded that Departments have left action desperately late, with inadequate testing.

Reading between the lines, I think that today's statement confirms that. The Taskforce 2000 report was endorsed and welcomed by none other than the right hon. Member for South Shields (Dr. Clark), who, until recently, was helping the right hon. Lady in government to sort out the problem.

The Government have alternated between panic and complacency. The Prime Minister told us:

"by treating this as an emergency, we can make Britain one of the world's best prepared countries".

Then the public sector under ministerial control went to sleep and fell far behind, as we heard yet again today.

We have been told by the Secretary of State for Scotland in a leaked letter that there could be substantial disruption to public services in a just over a year's time. He warns that the Army should be on standby to sort out the mess. Then the Leader of the House pops up to tell us that the problem has been overstated; chaos has been postponed by a soundbite.

Meanwhile, we learn bit by bit of the depressing reality of a public sector far from ready for the next century. Nine Departments are reported as being way behind in their preparations by Taskforce 2000. What is the use of a Department of State getting ready for the millennium by 2002 or 2003? How can the Department of Trade and Industry spend so much time and effort telling British business to get ready and then spectacularly fail to prepare itself, as the report reveals?

Over at the Foreign Office, the same report states:

"Only 'minimum functionality' will be available . . . around the turn of the century."

Some would say that under the Foreign Secretary, that would be business as usual—but we expect better and so do the public.

The Home Office programme is marked down as "very high risk", and that was before it knew that it had to make the decision on General Pinochet. At the Department of Media, Culture and Sport, we hear that

"a dismayingly flippant approach to the problem"

is being displayed.

Most worrying of all, the Secretary of State for Health refuses to guarantee that no patient will suffer as a result of the millennium bug. Will the right hon. Lady come clean and tell us whether all intensive care beds will work on the due date? Will all casualty departments operate properly? Will the power be on in all our homes and offices? Will flood defences work? Will all telephone and traffic systems function? When will the nine Departments that are so far behind catch up? How many bugbusters have been trained and appointed? Will all the 20,000 bug busters that we were promised be in place, and might that be before 2000? Why have the Government spent so little time and energy on sorting out the problems in the public sector while spinning so much to the private sector about the importance of the problem? What financial help will be given to health authorities and councils?

We left this problem in good order. There was plenty of time. People at the time said that we were thinking ahead. This Government have been in office for 18 months—the critical 18 months—and very little has happened. Britain is well behind, thanks to the disappointing performance of the public sector, presided over by the Government.

The Government have shown themselves incapable of managing this big changeover. The right hon. Lady should offer more than a few soundbites and platitudes. She should give a deeper, sober assessment of where the problem lies. She should pledge firm action to ensure that the public services work well in just over a year's time. Above all, she should offer the public a millennium guarantee that everything will work properly on 1 January 2000. If she is not prepared to, it will confirm our fears that the Government are way behind the clock and out of their depth.

Mrs. Beckett: I am sorry to say that although I have moved to a different Department, as far as the right hon. Gentleman is concerned nothing has changed. He talked about our managing the media, not governing, but his comments bore even less relation to reality than they used to when he was opposite me at the Department of Trade and Industry.

The right hon. Gentleman said that the previous Government left the programme in good order. I have assiduously refrained from saying it with quite this bluntness since I have been answering on this matter, but they left it in the hands of Taskforce 2000. Not a little of the venom behind some of the comments made by that organisation comes from the fact that it is no longer in its hands but in those of a different organisation headed by Don Cruickshank, who, in the right hon. Gentleman's day, was director general of the Office of Telecommunications. He commands a great deal of public confidence and support.

I have assiduously refrained from being as rude about Taskforce 2000 as it is about everyone else because we welcome anything that raises awareness and acceptance of the fact that there is a problem that all organisations need to recognise and tackle. However, the

[Mrs. Beckett]

right hon. Gentleman would be wrong simply to take at face value what is said by Taskforce 2000, which, in some cases, straightforwardly misunderstands what is said. Moreover, in many other cases, events have very much moved on since its last report.

The right hon. Gentleman talked about the Government going to sleep on the matter. Far from doing any such thing, within three weeks of the general election, we commissioned the work that led to our being able to publish—for the very first time—the type of information that I am now updating in the quarterly statement. Moreover, the body that we established—Action 2000, under Don Cruickshank—has undertaken an independent assessment of the problems across the national infrastructure. We are the first country to make such an assessment. Therefore, far from being behind the game, as the right hon. Gentleman seeks to pretend, we are very much ahead of it.

The right hon. Gentleman mentioned a leaked letter from my right hon. Friend the Secretary of State for Scotland. As I am sure the right hon. Gentleman is perfectly well aware—as the letter did leak—my right hon. Friend was writing about issues involving the Territorial Army. He was as well aware as every other Minister that there is a normal procedure of preparedness and contingency planning, during which plans for civil authorities to call on aid are occasionally considered. He was only referring to the existence of such contingency plans, which are in permanent existence. They existed under the Conservative Government, and they are being updated now to deal with a foreseeable contingency—the arrival of the millennium date change.

The right hon. Gentleman mentioned comments on the Department of Trade and Industry and the Foreign and Commonwealth Office that come mostly from Taskforce 2000, and demanded a whole string of guarantees. I shall deal with a couple of the points that he made.

The right hon. Gentleman asked about the national health service. The NHS has made it plain and public that it is now making satisfactory or good progress. I have already pointed out to him that the Audit Commission—I have much more confidence in it than in Taskforce 2000—described the NHS's work as a well-managed programme and said that, of all the groups that it surveys, the NHS has made the best progress since the previous quarter. The fact is that 93 per cent. of NHS organisations are said to be making satisfactory or good progress towards compliance.

The right hon. Gentleman asked about the bug busters programme and how many people have been trained. Almost 1,000 people have completed their training, and about 5,500 are now signed up in the programme, which represents a very sharp increase in demand. It took some time to establish the programme because it has to be a quality programme. There are 970-odd such programmes in place. There has been a substantial increase in the number of those signing up, and we hope that that will continue.

The right hon. Gentleman called for a deeper, sober assessment, and tried to pretend that the United Kingdom is falling behind. A few weeks ago, I attended an international conference on the matter that was attended also by people from Taskforce 2000, who I am sure were made aware of the views expressed at the conference. I was gratified—although, given that we are internationally vulnerable, slightly alarmed—to hear someone from the International Chamber of Commerce say that, of the 130 countries whose programmes she had studied, not only was the United Kingdom much the best prepared, but the British Government had done much more than any other Government to prepare.

In answer to the string of issues that the right hon. Gentleman raised, I tell him that every Department and agency has stated that its business-critical system-checking programmes will be completed and that business-critical systems will be rectified, tested and back in service by 31 December 1999.

Mr. Brian White (Milton Keynes, North-East): Having worked in the information technology industry for 20 years, I get very depressed when I hear unfounded comments. Some of the Cassandra-like comments that have been made about impending doom are not helpful, particularly when there is a serious problem. Does my right hon. Friend agree that there are other key dates in 1999, starting with 1 January, that are just as critical? I used to programme things that finished on 9 September 1999 as the end of the record; in other words, we could shut down on 9 September 1999 and wake up again on 1 January 2000.

Does my right hon. Friend agree that the most likely scenario is not a major problem, but such a volume of minor individual problems that the help desk and emergency officers cannot cope? What is my right hon. Friend doing to counter that and give support to help desks? What are local authorities doing to prepare for that scenario?

Mrs. Beckett: I am grateful to my hon. Friend, whose comments are more informed than those of others might be. He is right to say that there is more than one critical date in 1999. I take some comfort from that, because it means that those small and medium businesses that continue to ignore the problem as if it will go away, despite everyone's best efforts, should have their minds concentrated as the effects of other dates are reported.

I also share my hon. Friend's view that all that we can be confident of seeking to deliver is an assurance that there will be no material disruption of public services and that the public will be inconvenienced as little as possible. We should have no credibility if we pretended that we could ensure that nothing would go wrong, particularly as Britain is an open economy and a nation that trades internationally.

My hon. Friend may be right in saying that many small matters will go wrong. We are trying to encourage all organisations to identify their areas of greatest vulnerability and to put in place contingency plans for the unforeseen impact of the millennium date change. My hon. Friend is right to identify the fact that the problem is more complex than it sometimes seems, but I hope that it is less sinister.

Mr. Nigel Jones (Cheltenham): I thank the right hon. Lady for her statement and for her courtesy in letting me see it beforehand. I compliment her on the vigour with which she is tackling the millennium problem, which many have identified as a serious matter. I thank her for her candour in identifying areas that have worrying delays, particularly in local government and NHS trusts.

Does the right hon. Lady recall that the Science and Technology Committee produced a report on the issue about a year ago? We commented that the Government expected local government, the NHS and other public services to find the money to fix the millennium bug from existing budgets and were not giving additional funding. With time running out and some delays having been identified, will she talk to her friends in the Cabinet and impress on her colleagues that emergency extra funding may be necessary, particularly for local government—perhaps through extra capital allowances?

To ensure that vital public services remain running at the start of the millennium, will the right hon. Lady have a word with the electricity generators and distributors and the insurance companies before her next quarterly statement? I have heard reports that some companies have found that their insurers will not insure them for their electricity supply over the relevant period. That was brought to my attention by Bird's Eye Walls, which will have tonnes of ice cream stuck in deep-freezes and will want to keep it cold.

Will the right hon. Lady also try to encourage the media not to pick up on scaremongering stories which are not helpful? The last thing that we want at the millennium is for people to panic and everybody to try to take money out of a hole in the wall or fill up the car with petrol. There may not be enough notes in circulation or refined petrol onshore for everyone to do that.

Mrs. Beckett: I am grateful to the hon. Gentleman for his kind remarks. I am familiar with the report that was published some time ago by the Committee on which he serves. He will appreciate that, since then, taking account of that report and other matters, the Government have completed their comprehensive spending review and allocated substantial extra resources to public services, including the health service and local government.

I welcome informed comment and helpful advice. We also picked up on the most recent Public Accounts Committee report and followed its suggestion that Departments should produce initial contingency plans by January 1999. We are certainly willing to take useful advice on these matters.

We are talking to the electricity generators. More important, we have encouraged suppliers of the key services to talk to one another, although that has taken a great deal of effort from Action 2000 and involved a great deal of time. When we began working on the problem, the main difficulty was that many key organisations and companies, perhaps on the advice of their lawyers, were refusing to reveal their plans, despite being dependent on one another. Through the infrastructure forum, we have finally begun to overcome that major problem.

My understanding is that most insurance companies—although there may be some specialists—will not offer cover on the millennium date change impact itself, which, they reasonably argue, is a foreseeable contingency. However, if one is insured against a freezer going down but that happens as a result of the date change, any loss may still be covered. It is important that people identify and seek to rectify any insurance problems, as I am sure happened in the example that the hon. Gentleman gave.

I whole-heartedly agree with the hon. Gentleman's final remark. We must strike a difficult balance. We want key people in major—or minor—organisations to take seriously their responsibilities for the continuity of the core services and businesses that they supply; they should not think that they can leave to the IT people what is a business continuity and management issue. If people panic, however, that will bring about the dangers that we are trying to avoid. A rather alarming statistic is floating about: if, across the world, about 6 per cent. of people try to take money out of the banks, a financial crisis could be precipitated. There is no need for such a crisis, so that is another important message.

Mr. Tam Dalyell (Linlithgow): Given her engineering background, my right hon. Friend is better placed than most of us to understand the importance of the issue for the nuclear industry. I refer her to the written answer given on 19 October in column *1015* by my hon. Friend the Minister for Energy and Industry on the software reliability unit headed by Professor Bev Littlewood and the proposals that it was to make to the Nuclear Safety Advisory Committee. Has the unit come to any conclusions?

What is being done about the terrible problems in eastern Europe? For example, there are terrible, scary stories that Smolensk in Kozlodoy—which has close relations with our nuclear industry—has a very relaxed attitude. Moreover, has anyone asked any searching questions about what is happening in the Soviet Arctic fleet? We are all going to suffer—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am having some difficulty in relating what the hon. Gentleman says to the matter before us.

Mr. Dalyell: The question whether we have responsibilities—with our technical expertise in terms of the millennium bug—to do something about eastern Europe and developing countries has been raised. I ask a general question: are we looking after our own self-interest by trying to help them?

Mrs. Beckett: I am grateful to my hon. Friend for his kind remarks. I do not have the answer to his detailed question, but he may find that someone has that information at DTI questions tomorrow; otherwise, my hon. Friend can ask my hon. Friend the Minister for Energy and Industry to write to him.

My hon. Friend's example about the concern in the nuclear industry is a good one in terms of highlighting the fact that we should be sensible and responsible in terms of ensuring proper compliance, but not foolish. The Taskforce 2000 report, to which the right hon. Member for Wokingham (Mr. Redwood) referred, said that BNFL's programme provided no useful information and no basis for confidence. However, that judgment was made on the first return for the wider public sector bodies, and the company has now provided more substantial information.

The key issue is that BNFL's compliance strategy has been approved by all nuclear safety committees, and has been accepted by the nuclear installations inspector. We are doing everything we can. The Health and Safety Commission considers that the reports reveal a generally satisfactory position, but the HSC is keeping its evidence under review.

My hon. Friend drew attention to the wider impact of this problem across the world—something of which we are very mindful—and we have striven with might and

[Mrs. Beckett]

main to raise the issue in international forums. We did so when we held the presidency of the EU, and we have continued to do so in the presidency of the G8. Our embassies and contacts across the world have been urged to raise the matter with the Governments of the countries concerned, and some of the pressure seems to be getting through. In particular, in eastern Europe there seemed to be an initial assumption that, because the countries operated on different dates, they might be unaffected. However, the information technology does not necessarily operate in that way.

Mr. White *indicated assent.*

Mrs. Beckett: I see that my hon. Friend agrees. The IT does not necessarily operate in terms of different dates, and that has now been brought home to those countries.

We are seeking not only to raise the matter internationally, but to make contributions—and to encourage others to make contributions—towards tackling the problem. On last hearing—a couple of weeks ago—we were, I am sorry to say, the only country in the world to have contributed to a World bank fund geared towards helping developing countries to solve the problem. We put £10 million into the fund, and we are encouraging other states to do the same.

Sir Brian Mawhinney (North–West Cambridgeshire): Some of us understand why the Leader of the House would not want to make a statement that tended to further the growing anxiety about the problem. However, I hope that in future she will strive to sound less complacent than she did this afternoon. Given that she has wisely started to refer to the need for Government Departments and agencies to develop contingency plans against any possible failures, will the right hon. Lady undertake today to gather those contingency plans together and publish them by Easter next year, so that there can be wide consultation on them before decisions have to be made on how to deal with whatever failures occur?

Mrs. Beckett: First, I appreciate the right hon. Gentleman's acceptance that we must strike the right note. However, I reject totally his suggestion that the note that I struck was complacent. The many concerns that we have expressed could not in any way be said to support that. As a prominent member of the previous Government, the right hon. Gentleman should be as aware as anybody that we have substantially increased the programme of work that we inherited from them.

The right hon. Gentleman said that we had begun to refer to contingency plans. We have done so for the very good reason that, although we have always understood the need—and warned of that need—for contingency planning, it was right to put more emphasis on tackling problems that could be solved. As we get nearer the changeover date—obviously, we continue to press people to take action to solve problems—we recognise that more effort must be put into contingency planning.

The right hon. Gentleman asked whether I would publish the plans by Easter. I said earlier that we have told Departments to draw up initial contingency plans. When we have had a chance to assess them, we will discuss whether to publish, and how much of the plans we can publish. Our record of openness in this matter is not matched anywhere in the world, and if he goes to the Library or studies the internet he will see the degree of openness that exists, right across the public sector in the UK.

Mr. Andrew Miller (Ellesmere Port and Neston): Does my right hon. Friend share my surprise that, out of the tens of thousands of sources throughout the world, the right hon. Member for Wokingham (Mr. Redwood) could find only one from which to derive his information? Is he a chap with a chip on his shoulder?

On a positive note, may I commend to my right hon. Friend the work of the Government office for the north-west and MERIT, which are working hard to try to raise awareness—particularly among the SMEs in the north-west, where there are difficulties? Perhaps such organisations could be used at a regional level to help solve the problems that my right hon. Friend has identified in terms of local authorities.

Mrs. Beckett: I am grateful to my hon. Friend, who is well aware of the importance of the issues. He has good contacts with local authorities and organisations in his area that are seeking to tackle the problem. My hon. Friend the Minister for London and Construction and I attended a conference in London this morning to focus attention on planning across London and, in that context and others, we are working with the Local Government Association to increase awareness and to encourage people to seek help.

Mr. David Atkinson (Bournemouth, East): Is the Leader of the House aware that, yesterday, the Assembly of the Western European Union in Paris debated the effect of the millennium bug on European defence and security, and resolved that we could not conclude that the computer systems involved in the defence alliances of the WEU and NATO would be millennium compliant? What discussions are the Government having with our allies to ensure that our collective defence will not be at risk in 395 days' time? Will she confirm that there is no internationally agreed definition of millennium conformity, which seems to be a recipe for disaster when countries and companies do talk to each another on this issue?

Mrs. Beckett: We are continuing to seek to raise awareness internationally of our concerns about the matter and to encourage other Governments to pursue the same proactive stance that we have taken. We are mindful, as are my colleagues in the MOD, of the importance of the issue in terms of operational readiness. We have been encouraging discussion of that matter across international boundaries.

The hon. Gentleman believes that it is alarming that there is no international agreement on what is meant by millennium compliance. I take his point, but all I can say is that that is inevitable. If he took part in the discussion in the WEU, he would be well aware that there is a great disparity of acceptance, understanding and awareness of the issue in the international community. There are those who show all the signs of regarding this as merely something got up by the Anglo-Saxons to embarrass everybody, and they have not been taking it seriously at

all. That highlights the reason why we must take all the precautions and make all the contingency plans that we can—because we are vulnerable in respect of our supply chain.

Mr. Ivan Henderson (Harwich): Will my right hon. Friend join me in congratulating Tendring district council in my constituency, which yesterday signed up to the Government's commitment to the year 2000 action pledge? Part of that commitment was a commitment to report to the local community every 100 days to show any progress that it had made. Will my right hon. Friend encourage all other local authorities to follow that example?

Mrs. Beckett: I am doubly grateful to my hon. Friend, because he has reminded me of something that I meant to say in reply to my hon. Friend the Member for Milton Keynes, North–East (Mr. White). I do indeed congratulate Tendring council on signing Pledge 2000. So many valuable initiatives have been taken by Action 2000 that it is hard to pick one out, but that is certainly one.

I referred earlier to the anxiety that existed some time ago when it was impossible to get companies and organisations to talk to each other because of their nervousness about rendering themselves legally vulnerable. The whole idea of the Pledge 2000 programme is that people will undertake to be open with each other, to share information about their operational readiness, to offer advice and to discuss areas of common concern. I whole-heartedly agree with the call for openness. This morning, my hon. Friend the Minister for London and Construction and I told London local authorities that one of the most important things that we could all encourage our local authorities to do was to be open about their plans and preparations.

Mr. Redwood *indicated assent.*

Mrs. Beckett: I am glad that that commands agreement.

If we find that a local authority is not making preparations as we would hope, that in itself will be a useful spur; if we find that it is, that will be a useful reassurance to the local populace. I entirely share the view that openness is key.

Mr. Ian Bruce (South Dorset): I am sure that the Leader of the House will have read with some alarm Cap Gemini's claim that, when the Labour party came to power, Britain was first in the European league table for millennium compliance but that we slipped six months ago to second and are now at eighth. We can all argue about who is to blame, but surely the key problem is that, when people, especially those in the public sector, have checked their systems for compliance, they then need money to put right any problems.

I do not think that a single word was said in the local government settlement about what the fire and police services and all our local councils will have to spend to meet the Government's expectations. Too many organisations have written to their suppliers saying, "We expect your kit to work on 1 January," and then reported to the Government that they have done everything that they need to do for the millennium.

Mrs. Beckett: Of course I am aware of the Cap Gemini survey. I am perfectly happy not to blame anybody, because viewing with hindsight is easy. I am more than well aware that organisations that have spent a huge amount of time, professional effort and money on the matter believe that planning should have started way back in 1994 and 1995; so if the hon. Gentleman wants me to apportion blame, he should not look at the present Government.

In fact, I do not blame the previous Government, because at that stage nobody anticipated that this would take so long; but it is a bit silly to try to turn this into a party political matter, when we have done far more than our predecessors, starting on the day we were elected.

The Government have substantially increased investment in public services. Indeed, we have been called reckless by the Conservative party. My right hon. Friend the Secretary of State for the Environment, Transport and the Regions announced only a few moments ago—I do not know whether the hon. Gentleman was here—the most generous settlement for local authorities for seven years.

Of course we are concerned about the fire and police services. The police and fire inspectorates are working with different organisations, and many detailed arrangements are in place in the police service, for example, involving publication of plans on its website and on that of ACPO.

It is certainly not the case that the Government—or anyone else in this country—will simply accept an assurance that everything will be fine. I cannot say that everything is fine with the Cap Gemini survey. I have no wish to cause any ripples in the Foreign Office pond by naming countries, but we know perfectly well that some of those that are shown on the survey as better prepared than the United Kingdom have done almost nothing to prepare, because they do not believe that there is a problem. That casts some doubt on the reliability of the information in that survey.

Mr. Graham Brady (Altrincham and Sale, West): The Leader of the House has spoken of a greater emphasis on contingency planning. My constituency is close to Manchester airport, so I am well aware that contingency planning is not adequate to deal with air traffic control. Can she give some assurance to my constituents and any others who might be affected that air traffic control procedures will not be tested by aircraft having to experience difficulties in 2000 but will be certified as safe before then?

Mrs. Beckett: As I have said, all Departments and Government agencies have said that they expect to be millennium ready. We are in constant contact with organisations such as the CAA and the national air transport system, and they are sharing their preparations and plans with us. We are continuing to monitor the situation. The organisations' preparations are well regarded, but no one is complacent and we are continuing to put information in the public domain.

Mr. John Swinney (North Tayside): References have already been made to the concerns of the Secretary of State for Scotland about the effect of cuts in the Territorial Army on its ability to deliver emergency services in the event of any disruption. Is it wise to make any reductions in preparedness for civil difficulties caused by the

[Mr. John Swinney]

millennium bug, when the Leader of the House is, understandably, not in a position to give us a guarantee that there will be no disruption to public services?

Mrs. Beckett: The hon. Gentleman is inviting me to stray into the territory of the strategic defence review and its aftermath, which I fear I am disinclined to do. Of course we will have the normal contingency planning in place. My right hon. Friend the Home Secretary has had extensive discussions with the contingency planners and intends, heroically, at no little personal sacrifice, to be on standby on the key night; but the whole thrust of our work and programme is to try to ensure that there is so little material disruption to public services that there is no need to call on contingency services.

Mr. John Bercow (Buckingham): In her list of prime culprits, the Leader of the House omitted to mention the Department of Trade and Industry. The Taskforce 2000 report, published on 11 November, said:

"We were critical of this Department's plans in our last analysis and remain so . . . less than half of the progress to be made on business critical IT by September has in fact been made."

Is that slow progress not attributable to the fact that the present political management of the Department of Trade and Industry is even worse than that of the immediate past?

Mrs. Beckett: I certainly cannot countenance for a second any criticism of my successor, my right hon. Friend the Secretary of State for Trade and Industry, who is doing an excellent job.

Mr. Eric Forth (Bromley and Chislehurst): What about your predecessors?

Mrs. Beckett: Even less do I criticise them.

Yet again, we are relying on the analysis—if one can call it that—of Taskforce 2000. It is certainly true that the DTI has encountered more work than was initially anticipated, and that is entirely consistent with what is happening elsewhere in the public and private sectors. That has been the forecast for some time, but the Department is still on course to meet its declared deadline of April 1999 for business-critical IT. The estimated completion dates for embedded systems and telecommunications, for example, are deliberately cautious, so they should be well founded.

Mr. Richard Allan (Sheffield, Hallam): I welcome the sober and systematic approach of the President of the Council in her statement, which contrasts with those who seem to want to predict the coming of the four horsemen of the Apocalypse creating attendant panic. Does she agree that people who make statements suggesting that hard-working IT staff in the public sector have not dealt professionally with the issue are insulting those staff? In a spirit of sober analysis of the problems, may I draw her attention to the new national insurance recording system, which has a potential late delivery date of 31 October 1999, as some of the recent deliveries of systems by the private sector to the Department of Social Security have faced a few small problems in implementation?

Mrs. Beckett: I am grateful to the hon. Gentleman for his remarks and his understanding of the issues. I am aware of some of the problems that have occurred, but I am sure that he is aware that independent analysis of the work of the Department of Social Security has suggested that it is going well. I suspect that his point is slightly different, because the Department has had problems with its computer systems in the past, but it has done much work on them recently.

Mr. Tim Collins (Westmorland and Lonsdale): Given that one company, Unilever, has estimated that the costs to it alone of the millennium bug will be £300 million, is the right hon. Lady satisfied with her estimate that the cost to the entire national health service will be only £320 million?

Mrs. Beckett: We are saying that that is the further cost as we see it now. I am familiar with the work of Unilever and impressed by it. I do not know whether the hon. Gentleman is aware that the Prime Minister's adviser on the matter is Dr. Anderson, who was in charge of millennium compliance at Unilever. He has brought a wealth of experience and information to the issue, including the basis of the observation which I made earlier that it is now clear that we should all have started work on the matter much earlier. That is partly why I am happy to recognise a general responsibility for the problem: it does not lie in one quarter rather than another. Under Dr. Anderson's overall supervision, we continue to monitor, probe and assess the cost to various Departments, and we hope and believe that we have the measure of it. We may see some small increase, and that has been the experience over time at Unilever, but as we get closer to the date change our confidence in the accuracy of the financial predictions should strengthen.

BILLS PRESENTED

Scottish Enterprise

Mr. Secretary Dewar, supported by Mr. Secretary Prescott, Mr. Chancellor of the Exchequer and Mr. Calum Macdonald, presented a Bill to make provision with respect to the financial limits in section 25(2) of the Enterprise and New Towns (Scotland) Act 1990: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed [Bill 6].

Greater London Authority

Mr. Secretary Prescott, supported by the Prime Minister, Mr. Chancellor of the Exchequer, Mr. Secretary Straw, Mr. Nick Raynsford and Ms Glenda Jackson, presented a Bill to establish and make provision about the Greater London Authority, the Mayor of London and the London Assembly; to make provision in relation to London borough councils and the Common Council of the City of London with respect to matters consequential on the establishment of the Greater London Authority; to make provision with respect to the functions of other local authorities and statutory bodies exercising functions in Greater London; to make provision about transport and road traffic in and around Greater London; to make provision about policing in Greater London and to make an adjustment of the metropolitan police district; and for connected purposes: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed [Bill 7].

European Parliamentary Elections Bill (Allocation of Time)

5.34 pm

The Secretary of State for the Home Department (Mr. Jack Straw): I beg to move,

That the following provisions shall apply to proceedings on the European Parliamentary Elections Bill:

Timetable

1. Proceedings on Second Reading, in Committee, on Consideration and on Third Reading shall be completed at the sitting this day and shall be brought to a conclusion, if not previously concluded, four hours after the commencement of proceedings on this Motion.

Questions to be put

2. When the Bill has been read a second time—

(a) it shall, notwithstanding Standing Order No. 63 (Committal of Bills), stand committed to a Committee of the whole House without any Question being put,

(b) proceedings on the Bill shall stand postponed while the Question is put, in accordance with Standing Order No. 52(1) (Money resolutions and ways and means resolutions in connection with bills), on any financial resolution relating to the Bill,

(c) on the conclusion of proceedings on any financial resolution relating to the Bill, proceedings on the Bill shall be resumed and the Speaker shall leave the Chair whether or not notice of an instruction has been given.

3. On the conclusion of proceedings in Committee the Chairman shall report the Bill to the House without putting any Question and, if he reports the Bill with amendments, the House shall proceed to consider the Bill as amended without any Question being put.

4. For the purpose of bringing any proceedings to a conclusion in accordance with paragraph 1 the Speaker or Chairman shall forthwith put the following Questions (but no others)—

(a) any Question already proposed from the Chair;

(b) any Question necessary to bring to a decision a Question so proposed;

(c) the Question on any amendment moved or Motion made by a Minister of the Crown;

(d) any other Question necessary for the disposal of the business to be concluded.

5. On a Motion made for a new Clause or a new Schedule, the Chairman or Speaker shall put only the Question that the Clause or Schedule be added to the Bill.

Miscellaneous

6. Standing Order 15(1) (Exempted business) shall apply to proceedings on the Bill at the sitting this day; and the proceedings shall not be interrupted under any Standing Order relating to the sittings of the House.

7. The proceedings on any Motion made by a Minister of the Crown for varying or supplementing the provisions of this order shall, if not previously concluded, be brought to a conclusion one hour after commencement; and the Standing Order No. 15(1) shall apply to those proceedings.

8. Standing Order No. 82 (Business Committee) shall not apply in relation to proceedings on the Bill.

9. No Motion shall be made to alter the order in which any proceedings on the Bill are taken.

10. No dilatory Motion shall be made in relation to the Bill except by a Minister of the Crown.

11. If at the sitting this day a Motion for the Adjournment of the House under Standing Order No. 24 stands over to seven o'clock and proceedings on this Motion have begun before that time, the Motion for the Adjournment shall stand over until the conclusion of proceedings on the Bill.

12. If the House is adjourned at the sitting this day, or the sitting is suspended, before the conclusion of proceedings on the Bill, no notice shall be required, of a Motion made at the next sitting by a Minister of the Crown for varying or supplementing the provisions of this Order.

The Government remain determined to press ahead with the European Parliamentary Elections Bill in the form that this House has decided by overwhelming majorities. I shall say a little more about why we subscribe to that belief when we come to debate the Bill itself. Let me now explain why the Government believe that the allocation of time motion is appropriate. The answer is simple: the House has already devoted a huge amount of time to discussing the Bill. There may be a little more to say, but we think that the time allocated is adequate in the circumstances.

The Bill has only six clauses and four schedules. In the Session that ended only 10 days ago, we spent more than 34 hours debating the Bill, which works out at more than three and half hours for each clause or schedule, whether substantive or not. The Bill is a constitutional measure and, for that reason, we have taken it on the Floor of the House. It is worth pointing out that it is not exceptional for Bills of a constitutional nature to be guillotined. Some hon. Members will recall—and some Conservative Members will do so with discomfort—that the European Communities (Amendment) Act 1986, which introduced the single market, had to be guillotined by the previous Administration. The then Lord President of the Council, Mr. John Biffen, said when moving the timetable motion—

"Since 1966, six constitutional Bills have been timetabled."—

and he explained why. Earlier in the debate, he sought to justify the Government's decision to guillotine the measure. He said:

"The Bill received its Second Reading with the clear majority of 319 votes to 160. That is an indication that the Government fully have the authority of the House for wishing to ensure that the passage of the Bill can be concluded."—[*Official Report*, 1 July 1986; Vol. 100, c. 933-34.]

If Mr. John Biffen was correct on that occasion, we must be even more correct when we say that this Bill has received the overwhelming authority of the House, because it received a majority of 355 to 160 on Second Reading on 25 November 1997.

Sir Norman Fowler (Sutton Coldfield): Can the Home Secretary give any precedent for a constitutional Bill being guillotined with only four hours for debate, including the three-hour guillotine motion?

Mr. Straw: The simple answer is that no Opposition since the war have suffered from the madness that infects the current Opposition. This is the first constitutional measure on which a Government have been forced to use the Parliament Act 1911 procedures. Every other constitutional measure, however controversial it may have been and whether it appeared in a manifesto, has eventually been accepted as having received the authority of the elected House and been allowed through by the unelected House. Given that the right hon. Member for Sutton Coldfield (Sir N. Fowler) has raised the issue, he may wish to learn that the only Bill that has been the subject of the Parliament Act procedure since the war—three started out, but agreement was reached on two—was the War Crimes Act 1991. The guillotine motion on that Act provided for no Committee stage.

[Mr. Straw]

Conservative Members have only themselves to blame for tearing apart fundamental conventions on the constitution, as I will show in a moment. We are having to debate the matter again, despite the fact that the Bill and its principle received the overwhelming endorsement of the British people in the manifestos of not one but two of the major parties. It has also received majorities of more than 150 on every occasion that it has been the subject of debate, not only on its principle but on its detail. It does not lie in the mouth of the right hon. Member for Sutton Coldfield—or any other Conservative Member—to complain that the Bill has not been subject to the most thorough debate. I myself have always sought to answer any question raised with me in the time that is available.

Mr. Nick Hawkins (Surrey Heath): Does the Home Secretary accept that one of the clearest pieces of evidence that he does not have overwhelming support for what he is saying is the tiny handful of his parliamentary colleagues who have bothered to take their places in the Chamber this afternoon? Another is the fact that there were so few speeches in our earlier debates in support of what the Government are trying to ram through. In effect, the Bill has no support at all.

Mr. Straw: As I have explained to the hon. Gentleman and his right hon. and hon. Friends before, the best indication of support is not only the substantial majorities that we have enjoyed in this House, but the fact that we have put the principle of the issue to the vote of the British people. Of that, there can be no doubt.

I am very happy for the available time to be used up principally by Conservative Members. Four hours have been allocated for completion of the measure, and the longer they spend on the guillotine motion, the less time there will be for the detail, even if that detail needs further examination. That is a matter for the Conservatives, not for us.

Mr. Brian White (Milton Keynes, North–East): Does my right hon. Friend accept that whether or not we started by supporting an open-list system or a closed-list system, many of us on the Labour Benches now firmly hold the view that the Bill should go through as we are arguing about the elected House versus the unelected House? My right hon. Friend has the overwhelming support of Labour Members.

Mr. Straw: I accept that, and I am grateful to my hon. Friend for anticipating my next point. I expect that the right hon. Member for Sutton Coldfield will work himself up into a fury, implying that the motion is an abuse of the procedures of the House. He should, however, be rather cautious given the record of the previous Administration, particularly in the 1980s when they never sought agreement on Bills and used guillotine motions with gay abandon. There has, indeed, been an abuse of Parliament over the Bill, but it did not occur in this Chamber. The abuse was the responsibility of the Conservative party, which relied on its inbuilt three-to-one majority in the other place. It relied on the votes of hereditary peers to frustrate the wishes of the democratically elected House.

None of us on the Government Benches—and precious few Members on the Conservative Benches, if they were allowed to speak their minds—believe that the hereditary peers have a right to block Bills introduced by the Government. I have never objected to the other place seeking to revise Bills. Far from objecting, I have welcomed revisions, and I have never suggested that a Bill introduced even by my Front Bench colleagues represents a paradigm of perfection that cannot be improved in any way. That would be an arrogant impertinence, and it would plainly be untrue.

On two major Bills out of the several brought forward by the Home Department during the past session—the Human Rights Bill and the Crime and Disorder Bill—the other place entered serious reservations. We did not say, "Damn them, they are Conservative hereditaries so we should ignore their arguments." We sought, on press freedom and, particularly, on the protection of the churches, to listen to what was said in the other place, and to seek to accommodate it, as I believe we did.

A number of detailed amendments were made to the Crime and Disorder Bill, such as that made when the Lord Chief Justice expressed reservations about the breadth of what was then clause 40 on the powers of justices' clerks. Many noble Lords backed him, we listened to what he had to say and we changed the Bill. In the particular case of the age of consent, the whole House knows that we accepted the view of the other place that that measure should not come before the House for a free vote without its having alongside it associated offences where people were in a position of trust that they might abuse.

Mr. William Cash (Stone): The Secretary of State has made the accusation that what the House of Lords did was somehow an abuse of procedure. Has he not heard of the Parliament Act 1911? Does he realise that its whole purpose is to deal with situations such as this one? In fact, the House of Lords acted completely within the conventions and within the statutory provisions for matters of this kind.

Mr. Straw: It would be rum if I had not heard of the Parliament Act since that is precisely what we are using. I heard of the Parliament Act as a schoolboy, and I remember the history of the Budget in 1910—more accurately, the Budget was in 1909—

Mr. Richard Allan (Sheffield, Hallam): I did not realise that the right hon. Gentleman was that old.

Mr. Straw: I have a considerable affection for the hon. Member for Sheffield, Hallam (Mr. Allan), but I shall lose it if he questions my age. I was not present during the passage of the Budget of 1909, but I learned about it at school. It will be remembered that Mr. Lloyd George moved his Budget, that the Lords blocked it, that not one

but two elections were required in 1910, and that the Parliament Act followed in 1911. It is worth bearing in mind, too, that there was then a general agreement that the Act should be the first part of a two-stage process of reform of the House of Lords, but the Conservative party consistently blocked the second stage, a point that Conservative Members should note.

Mr. Richard Shepherd (Aldridge-Brownhills): I am interested by the reasons adduced by the Secretary of State in relation to the Parliament Act, but I do not understand what he is saying. The House of Lords acted perfectly constitutionally. The Government disagreed, and the Chamber disagreed on a vote. The Bill was returned to the other place, and the Government are now invoking the Parliament Act. Is not that the proper constitutional arrangement? Has not every party acted within the terms of the Parliament Act and the constitution?

Mr. Straw: The difference, and the central burden of what I must say, is that the Parliament Act has not previously been needed even for the most controversial of proposals. In addition, there has been an expectation of its use only when there has been a Labour Government. It has never been raised against a Tory Government—

Sir Norman Fowler: The War Crimes Bill.

Mr. Straw: The only case is the War Crimes Bill, which was not an issue of extreme controversy between the parties.

Sir Norman Fowler: The Home Secretary just cited it.

Mr. Straw: I cited the Bill to answer a different point raised by the right hon. Gentleman, which was whether there had been a Committee stage on a guillotine under the Parliament Act. There had not.

The hon. Member for Aldridge-Brownhills (Mr. Shepherd) asked whether the action of the House of Lords was not consistent with the Parliament Act, and with the conventions and understandings that amount to an important part of our constitution. It would be tautologous to say that that action was consistent with the Parliament Act, as that is a simple statement of fact. It is wholly wrong, however, to claim that the procedure followed by the Conservative party is in any sense consistent with the conventions of the House of Commons and the other place, or of the understandings between parties that form an essential part of our uncodified and unwritten constitution. I shall explain in considerable detail why that is so.

The right hon. Member for Sutton Coldfield was, until recently, the non-executive chairman of Midland Independent Newspapers. He ceased, I believe, to be chairman not so long ago.

Sir Norman Fowler *indicated assent.*

Mr. Straw: The right hon. Gentleman assents to that. If the right hon. Gentleman does not wish to take advice from us, he may wish to think again and to take the advice of *The Birmingham Post*, which that group owns. The paper is not particularly in favour of closed lists, and it is against proportional representation. Its view is straightforward, but a recent editorial said that the Conservative party was making a fool of itself by the way in which it was behaving. The editorial read:

"The Conservatives cannot muster a decent opposition in the Commons, the party organisation has fallen into disrepair in the country, its ability to communicate any message to the electorate has virtually ceased. Yet it still has a chance to wield its power in the Lords . . .

The Labour Government may be wrong in wanting closed-list PR but our democracy is based on the fundamental belief that the will of the majority in the Commons must prevail.

It is hypocritical nonsense to defend 'democracy' by undemocratic means and shows the Tories' desperation to cling on to the last vestiges of power.

Throwing out the Government's Bill is a monumental blunder by the Tories".

It was indeed a monumental blunder. The Conservative party has torn up one of the most essential conventions regulating the balance of power between the elected House and the other place. That convention was articulated, although it had been followed before, by Lord Salisbury, the grandfather of the current Viscount Cranborne. In a speech to the House of Lords in November 1964, Lord Salisbury spelled out what the convention meant.

Mr. Shepherd: This does not answer my question.

Mr. Straw: I am seeking to answer the point raised by the hon. Gentleman. He began his speech by talking about relations with the new Labour Government elected in 1964 with a very tiny majority. He said:

"In 1945 we were faced, in one sense . . . with an easier problem than now, for the Labour majority in another place . . . was far larger than it is today, and it was therefore possible for us who belonged to the Opposition to make it our broad guiding rule that what had been on the Labour Party programme at the preceding General Election should be regarded as having been approved by the British people. Therefore, as your Lordships will remember, we passed all the nationalisation Bills, although we cordially disliked them, on the Second Reading and did our best to improve them and make them more workable on Committee stage. Where, however, measures were introduced which had not been in the Labour Party Manifesto at the preceding Election we reserved full liberty of action."—[*Official Report, House of Lords*, 4 November 1964; Vol. 261, c. 66.]

That is a reasonable statement.

The right hon. Member for Sutton Coldfield has said that closed lists were not specified in our manifesto. Even when our manifesto is clear and categorical, as it is on the two-stage process for the reform of the House of Lords—it could not be clearer about the self-contained stage one—the right hon. Gentleman still says that the Conservative party intends to tear up the basic fundamental conventions of the Salisbury convention—*[Interruption.]* That is what we all heard him say on Monday. Of course, the Conservative party may have changed its mind since then.

Let us leave that to one side. In order to justify the Conservative party's actions on this Bill the right hon. Gentleman is saying that, although the basic idea of proportional representation for European elections was in the manifestos of the Labour party and the Liberal Democrats, the detail was not. I must tell the right hon. Gentleman and the hon. Member for Aldridge–Brownhills that, when Lord Salisbury was making his statement, he did so against the background of the manifestos that had

[Mr. Straw]

been brought before the British people in 1945. Those manifestos were far less detailed in every particular than those of any party at the last election. I happen to have before me the winning Labour party manifesto for 1945. It says that the Labour party intended to submit to the nation an industrial programme which included public ownership of the fuel and power industries. There is then an explanation about why that is to be done, but there is not a word about how. The list continues by saying that the programme will include the public ownership of inland transport. There is a little word about co-ordination and about why it is to be done, but not a word about how. It then talks about public ownership—

Sir Norman Fowler: On a point of order, Mr. Deputy Speaker. We are in substantial difficulty. The right hon. Gentleman has tabled a guillotine motion which allows only four hours of debate in this House. He has now been speaking for 20 minutes on that motion—not the Second Reading—and we are now going back to the 1945 Labour manifesto. With due respect to the Home Secretary, I believe that it would be in the constitution and order of the House for him to make briefer remarks on this important guillotine motion.

Mr. Deputy Speaker (Sir Alan Haselhurst): The right hon. Gentleman knows that the Chair cannot be responsible for the content or length of speeches. The Home Secretary will have heard what the right hon. Gentleman said.

Mr. Straw: I particularly heard the right hon. Gentleman saying that he was in some difficulty, and that is true. I have taken 20 minutes because I have given way to hon. Members. The right hon. Gentleman and his hon. Friends would have been the first to complain had I not given way. Let us be clear, the content of the 1945 manifesto is absolutely central to the context of the Salisbury convention and the fact that the Opposition have broken that convention.

The 1945 manifesto said that the programme would include public ownership of the fuel and power industries, public ownership of inland transport and public ownership of iron and steel. No other detail was given, but Lord Salisbury did not use that fact, even casuistically to argue that they could accept the principle, not just to dissent from the detail, but to block the whole Bill. That is the difference between any previous action taken by the other place and the action being taken now by the Conservative Opposition in the other place with the full support of the Opposition Front Bench.

Mr. Jonathan Sayeed (Mid–Bedfordshire): Will the right hon. Gentleman give way?

Mr. Straw: I am sorry, but I do not have time.

I was reflecting on why the Salisburys, the Cecils and the Cranbornes—the same family—had been able to survive in power for five centuries or so when others, not including those in the Conservative party, had failed. I came across a quotation not from one of Viscount Cranborne's predecessors but from one of his predecessor's associates in the other place, the Marquess of Winchester, who was heavily involved in Tudor politics. He said—I translate from the Latin—that he had survived by being a willow and not an oak. That is how the Conservative party has kept its power in the other place until now. We are now seeing the Conservative party, a once great oak of distinguished lineage, breaking in the wind. Whether it has a future is gravely open to doubt given these tactics.

The motion is in no sense an abuse of parliamentary procedure. The abuse of parliamentary procedure is the action of the Conservative party which has broken the Salisbury convention in every particular. The Opposition have challenged the democratic will of the House and, above all, the democratic will of the British people.

5.57 pm

Sir Norman Fowler (Sutton Coldfield): That was an unconvincing speech. It did not even convince the four Labour Back Benchers who are here today. The Home Secretary was keen on quoting precedents. *[Interruption.]* If the hon. Member for Lewisham, West (Mr. Dowd) wishes me to give way, I will happily give way to him. If he is a Whip, I suggest that he keeps the silence for which he has doubtless been appointed to that office.

The Home Secretary was keen on quoting precedents. He went back to the 1945 general election. I notice that he did not quote his own article in *The Times* on 4 February 1985, which was entitled, "Cut the Guillotine Down to Size." In those days, he argued that ill-thought-out legislation should not be forced through without change,

"brandishing the theory of the detailed mandate in face of the reasoned argument."

With this legislation, he cannot even claim a detailed mandate.

Let us get this straight: we all know that the closed list was not, and never has been, a manifesto commitment of the Labour party. The right hon. Member for Chesterfield (Mr. Benn) totally destroyed that argument. In fact, the Home Secretary destroyed his own argument. On Second Reading, my right hon. Friend the Member for North–West Cambridgeshire (Sir B. Mawhinney), who is here today, interrupted the Home Secretary when he said that he would look at the Belgian list. The Belgian list is not a closed list so, if it was a manifesto commitment, it was quickly and easily broken by the Home Secretary.

On the abuse of power, let us go back to the War Crimes Bill and to the comments of the then shadow Home Secretary, Lord Hattersley. He made the point that my hon. Friends have been making. He said:

"The House of Lords possesses the right under the constitution, to reject legislation, and we possess the right to overrule that rejection. The House of Lords, this House and the Government, if I may say so, have acted with absolute constitutional propriety by bringing the matter forward again."—[*Official Report*, 18 March 1991; Vol. 188, c. 30.]

That is the point and that is what my hon. Friends were saying.

Obviously, I recognise that the guillotine procedure has been used before. However, I caution the Government to hesitate before guillotining a constitutional measure. There should be no doubt that the Bill goes to the heart of our constitution. The rules whereby Members of the European Parliament are elected are vastly important, above all to the public.

Of course there are precedents of the guillotine being used even on constitutional Bills, although the BBC report this morning, which suggested that the Maastricht Bill was guillotined is wrong. The whole point about that Bill is that it was not guillotined. It would be nice if the BBC gave parliamentary reporting the priority that it used to have.

Mr. Straw: Will the right hon. Gentleman give way?

Sir Norman Fowler: I shall give way in a moment. The right hon. Gentleman should listen to my point. He regards this debate as a leisurely Committee stage, but this is a debate on a guillotine motion. He is forcing the House to pass all the Bill's stages in four hours. We do not regard this as a leisurely Committee stage in the way that he would like. There have been precedents, but this is probably the most severe guillotine that has ever been introduced, and I shall tell the House why.

Under the Government's proposals, the guillotine motion could be debated for three hours, but that would come out of the total of four hours that is allowed for the whole debate. The Government would be content for the debate on the guillotine motion to run its full course. I assume that even they do not believe that we will nod it through without a Division, so they would leave the House 40 minutes to debate the Second Reading, the Committee stage, the Report stage and the Third Reading of the Bill. Even if the guillotine debate could be finished earlier, it is unlikely that we shall have any more than two and a half or three hours to complete all the Bill's stages. One does not have to be a paid-up member of the Conservative party to find that unacceptable.

Mr. Straw: Will the right hon. Gentleman give way?

Sir Norman Fowler: I shall give way in a moment. The right hon. Gentleman should restrain himself.

Many hon. Members will regard the Government's proposals as entirely objectionable. One point that is clear about the Bill is that it is highly controversial on both sides of the House. Much of the criticism of the Bill has come from Labour Members. The measures are as disliked by many on the Government Benches as they are by Conservative Members. That is demonstrated this afternoon by the fact that only three Labour Back Benchers are present.

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): There are five.

Sir Norman Fowler: I was not counting the Parliamentary Private Secretaries. If the hon. Gentleman is down to counting them, he really is in difficulty.

I hope that, on the issue of the guillotine we will, for once, have the support of Liberal Democrat Members. They have taken an extraordinary view throughout the entire debate, and I hope that they will at least have the courage to say that we should be able to debate the Bill for longer than the four hours that the Government have given us.

The time that has been allocated to the Bill is totally inadequate to do any justice to it. We are once again considering the whole Bill because it has been reintroduced. We are considering not only open and closed lists but the abolition, in effect, of European by-elections. We all know why such a proposal might now attract the Labour party. Having been beaten into third place in the by-election in Scotland last Thursday, it may well want to avoid such contests. By-elections, for Europe and Westminster, have been an important part of our political system.

Mr. Straw: Will the right hon. Gentleman give way?

Sir Norman Fowler: I shall give way in a moment. The right hon. Gentleman need not keep bobbing up and down.

If the Government think that forcing unpopular legislation through the House without giving us a realistic opportunity to debate it will restore their political fortunes, they are in for a surprise north and south of the border. I shall now give way to the Home Secretary.

Mr. Straw: Will the right hon. Gentleman name another Bill, including constitutional Bills, of only six clauses which was the subject of more than 34 hours of detailed debate in the House?

Sir Norman Fowler: There must have been constitutional Bills that were so well debated, but that is not my point. My point—this is the Government's proposition—is that this constitutional Bill has been reintroduced. It is therefore a new Bill and the Government are allowing four hours of debate, including the debate on the guillotine motion. I cannot think of a precedent for that, and if the Home Secretary can think of one, I will gladly, in my generosity, give way to him again.

Mr. Straw: The simple point is that the Bill has already been the subject of lengthy debate. The four hours allocated to it today must be added to the 34 hours of extraordinarily detailed discussion that have already taken place, and the Bill is exactly the same as it was then.

Sir Norman Fowler: The right hon. Gentleman's answer is that he cannot think of a precedent, because there is none. The guillotine motion is the most severe since the war and, as far as I can tell from the extent of my research, the most severe that has ever been moved.

Mr. Shepherd: I do not entirely understand the Home Secretary's point because, although the House has debated the Bill many times, it has done so only on a particular, narrow issue. We want to debate the entire Bill, which is understandable.

Sir Norman Fowler: That is exactly the point that I was about to make, and I thank my hon. Friend for making it in his usual skilled way.

The Bill makes a fundamental change in our arrangements for European elections. We are, for example, abandoning the first-past-the-post system. That is a profound mistake, and many people will resent the abolition of the constituency system. They want a Member whom they can call their own and with whom they can take up issues. That will be lost under the Bill.

[Sir Norman Fowler]

It is not merely a case of open and closed lists. That issue has dominated the debate because of the action of the House of Lords, but there are many other issues.

The Bill raises the issue of the balance between the party and the public, and that is the issue at stake between the two Houses. The Lords rejected not the whole Bill—again, the Home Secretary is wrong—but the closed list system, in which people vote for the party and not the candidate. That stand has been widely applauded, and not only by the Opposition. The Government Benches are not crowded because one Labour Member after another has spoken against closed lists. Let us have no nonsense about closed lists being a manifesto pledge; they are not and never have been.

Mr. Cash: Does my right hon. Friend accept that, as we have rightly endorsed the principle of first past the post, we should gently persuade their Lordships to do the same and return the Bill or at least seek to amend it, including the long title, so that we can debate first past the post rather than the difference between open and closed lists?

Sir Norman Fowler: On Second Reading, we can debate exactly that point, which is very important. That is why it is false to say that, because we have debated closed and open lists, we have disposed of all the issues in the Bill. We clearly have not.

For all those reasons, the House needs substantially more time than has been allocated. We should remember that, until the debate had developed, the public did not know about all the issues that were involved and, today, those are better understood. The result is that, even in the past few days, major points have been made, such as the point of conscience. Before some people vote, they want to know the candidates' stance on the major moral issues that we all face. We all know that that is the case, because all hon. Members are elected according to that system, and when we stand for election we must answer questions on our beliefs. One report said:

> "Bishops last night accused Tony Blair of destroying voters' rights to make moral choices on issues such as abortion and the arms trade. They joined ethical campaigners in a fierce assault on plans to adopt a new voting system in Euro-elections next year. In a strongly worded letter to the Prime Minister, they warn that 'closed lists' . . . will effectively disenfranchise millions of people with strong religious or moral views."

That argument has developed during debates on the Bill. It is therefore nonsensical to say that opposition to the Bill is confined to the Conservative party and the House of Lords. There is a very wide coalition of opposition to the Bill.

Mrs. Angela Browning (Tiverton and Honiton): Does my right hon. Friend agree that there is a need to scrutinise a further aspect, concerning the nature of the European Parliament? Unlike the House, it does not have a system in which one party is in power as such, but, if the Government's proposal for the European elections were implemented, the work carried out by individual MEPs might be influenced by whether they were assiduous, and attended and had responsibilities on committees, or whether they chose not to. Obviously, their role in a particular constituency, especially where there was no affiliation between the electorate and a specific Member, might mean that some MEPs could spend all their time doing constituency work, building up profiles and so on, while others carried the responsibility of committee work. If that position were mirrored in this House, Members of the party in government could be disadvantaged.

Sir Norman Fowler: My hon. Friend makes a strong and powerful case. I shall not, if she will forgive me, develop it, because there are such obvious and unsatisfactory time constraints on the debate.

The Government have unquestionably and undoubtedly lost the argument on the Bill. They have been unable to persuade their own Back Benchers; they have been unable to persuade the press. I was delighted to hear my old newspaper, *The Birmingham Post*, being set up as an example of the massive press support for the Home Secretary. He said that I used to be chairman of the company; that is true, but he omitted to say that it is now owned by the *Daily Mirror*. The Government have been unable to persuade the public or the press.

I say in all seriousness that I believe that it is insulting, not only to the House but to the public, to truncate discussion of the Bill, as is proposed. I hope that, during the debate, we shall not hear from the Government great complaints about the constitution, when they are forcing through a Bill under the severest guillotine measure that any hon. Member can remember. It shows that the Government have lost the argument and the debate. The motion should therefore be rejected.

6.13 pm

Mr. Richard Allan (Sheffield, Hallam): The Liberal Democrats accept the guillotine motion; I am sorry to disappoint the right hon. Member for Sutton Coldfield (Sir N. Fowler) yet again. The Conservatives' concern for the mortal souls of the Liberal party—as they style us—has been touching throughout the many debates on the Bill, and is greatly appreciated by me and my colleagues.

We have debated this subject for so many hours that we believe that there are no new arguments to be made—only decisions, which, unfortunately, have been lacking due to the nature of the ping-pong in ermine that we experienced towards the end of the previous Session. We have been asked to back the provision of more time for debate on this subject, so that we can follow the common dictum that the primary tool of opposition is the use of time, but, in my recent time in the House, I have learnt that that dictum often leads to us giving our debate plenty of quantity but little quality. I suspect that we may well again be running into a situation where the Opposition are talking about issues other than the issue on which they have chosen to focus for most of the time, and saying, "These are the issues that we want to debate." In that case, why did they choose to spend so much time on the specific issue of closed and open lists if they are really interested in the other subjects?

Mr. Sayeed: The Home Secretary described the question of closed lists versus open lists as a detail. Does the hon. Gentleman agree that the proposition of closed lists is just a detail?

Mr. Allan: We are returning to a familiar subject. We have said that we have two primary objectives.

The first—and key—one is the achievement of proportionality; the second is the extension of voter choice. We believe that the benefits of greater proportionality in the Bill as tabled far exceed any disappointment that we have at not achieving the open lists, and therefore back the Bill as it stands, as the alternative to first past the post. We can make that position clear again in the later stages of consideration of the Bill.

Mr. Sayeed: Answer the question.

Mr. Allan: I thought I had said that the issue of greater proportionality is far more significant than the issue of closed or open lists. The voter choice element is secondary to the principal issue of proportionality.

I have gained a great benefit from these debates. I am grateful to the right hon. Member for Sutton Coldfield and others who have participated for giving me an opportunity to learn about the more arcane elements of parliamentary procedure at a greatly accelerated rate—experience that it often takes hon. Members many years to acquire. My only sadness is that the proposed changes to another place may shortly render that knowledge redundant; I certainly hope so.

I have discussed this subject with a far wiser head than mine—my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith), who has great experience of these matters and of parliamentary procedure. We have agreed that, as the Home Secretary outlined, there has been abuse of convention in the debate so far.

I draw attention to contributions made to the most recent debate on this subject in another place by my noble Friend Lord Russell and by the Conservative Lord Garel-Jones. Both had resisted the change, but, in the final debate, they argued that, in that fifth and final battle, it would be an abuse of convention not to allow the Bill to pass, as the Government had a mandate for it. Both argued that, having made their opposition clear in a perfectly honourable way within the conventions, it now behoved them, if they wanted to stay within the conventions, to allow the Bill to pass. I am disappointed that other Lords on the Conservative Benches were persuaded otherwise, having been given an indication as to their duty. I believe that Lord Garel-Jones and Lord Russell had the entirely correct approach to the conventions.

We believe that all the key issues that have been mentioned by Conservative Members were debated at length in all the stages that preceded our final charade over the open and closed lists. The suggestion that there was no debate on the principle of proportional representation versus first past the post, or on the size of regions, or on whether we should have regions, is a gross misrepresentation of debates that I sat through in the previous Session, in which all those issues were debated at length.

We believe that many people outside this place—including many prospective Conservative candidates—are now desperate for us to resolve the issue and pass the Bill. Conservative candidates—including the Conservative, Lord Bethell—have expressed great concern at the tactics employed.

The Conservative party obviously needs a strategic diary secretary, as at present its opposition is in the wrong place and at the wrong time. It would be appropriate for the Bill to proceed with all due speed, as the debate that we need on the subject has been had—as hon. Members present know, however much they argue otherwise.

6.18 pm

Miss Melanie Johnson (Welwyn Hatfield): I believe that this is the sixth time that the subject has been debated in the House. The fifth time that it was debated, on 18 November 1998, there was a massive majority in favour of the Bill.

The danger—*[Interruption.]* If the hon. Member for Aldridge-Brownhills (Mr. Shepherd) wishes to say something, I shall give way to him to allow him to say it.

Mr. Shepherd: Of course the Bill was not debated six times. It was the Lords amendment that was debated a number of times. That is a narrow point.

Mr. Deputy Speaker: Order. Sedentary comments that lead to further interruption of debate are not very helpful in a time-limited situation.

Miss Johnson: Thank you, Mr. Deputy Speaker.

There is a danger that a Bill about a system to be used for electing MEPs will dominate the main business of the House. The key points have been debated and, as was remarked earlier, 34 hours of debate have taken place. As the Home Secretary commented, three and a half hours on each clause or schedule is a great deal of time. If the Opposition have not advanced their arguments, although they have had ample time in which to do so, many would say that they had wasted their time.

The vote on the last occasion was Ayes 326 and Noes 133—a clear majority of 193 in favour of the passage of the Bill.

Mr. Andrew Lansley (South Cambridgeshire): Does the hon. Lady recall that, at that time, the vote was on the motion to disagree with the Lords in their amendment, and to send to the Lords another amendment in lieu of that amendment? Although I opposed it, the House agreed to a review of the electoral mechanism proposed by the Government, yet the Government have now brought back a Bill that does not include such a review. Will the hon. Lady explain why?

Miss Johnson: Rather than strengthening the hon. Gentleman's case, the fact that we have gone through much additional scrutiny, which has seemed tortuous to many of us, detracts from it. We are now discussing issues for which precedents exist but, as the Home Secretary observed in his opening remarks, to some extent we are beyond precedent, because we have seen torn apart in front of us fundamental conventions by which the House operates.

It is important for you as the Opposition to realise that closed lists are not controversial for Labour Members. If you believe something different—

Mr. Deputy Speaker: Order. The hon. Lady is confusing second and third person. I have nothing to do with the matter.

Miss Johnson: I apologise, Mr. Deputy Speaker. Opposition Members are confused if they believe that a

[Miss Johnson]

few speakers from the Government Benches who disagree with the Government represent disagreement by the vast majority of Government Back Benchers.

Mr. Graham Brady (Altrincham and Sale, West) *rose—*

Miss Johnson: I will not give way. A majority of 193 is a clear sign. The mark of whether we support the Government is whether we support them in the Division Lobby. Those of us who passed through that Lobby are keen for the measure to go ahead in its present form.

On 1 July 1986, in the debate on the European Communities (Amendment) Bill, to which the Home Secretary referred, the then Leader of the House, Mr. John Biffen, moving the allocation of time motion, said that the Bill had "constitutional importance", as does the present Bill. He said that

"a significant amount of time"

had already been provided for the Bill, and that is also true in this case. He remarked that, on its Second Reading, the Bill had a

"clear majority of 319 votes to 160",

which is a majority of 159. It is worth noting that, at its last consideration, the Bill received a majority of 193, which is clearly in excess of that.

In closing the debate, the then Minister of State, Foreign and Commonwealth Office, Lynda Chalker commented:

"The public are not impressed when we sit here night after night raking through the tepid embers of past battles. They want Parliament to get on with the job."—[*Official Report*, 1 July 1986; Vol. 100, c. 933-974.]

That is what this motion would do. The debate has been held; the issues have been fully aired. If they have not, it is the Opposition's fault for not doing so. A clear majority support the Bill, and there are plenty of precedents. I support the motion.

Let us remind ourselves of the precedents. The motion for the allocation of time—or the guillotine, as people happily call it when they want to add to the drama—is mentioned by "Erskine May" as one of the devices that it is important to consider in balancing

"the claims of business and the rights of debate."

I accept that that is an important balance. It is our task both to get business done and to enable hon. Members to debate matters properly in the Chamber. There have been several occasions since 1945 when an allocation of time motion has been accepted.

"Erskine May" goes on to say that such procedures affirm

"the rights of the majority".

In the present case, we seek to affirm the rights of the majority in the House who supported the Bill, as well as the rights of the majority of the people, who sent us here on a manifesto which, as the Home Secretary commented, made it clear that we would make such changes. Democracy is the will of the majority when the debate has been had. The debate has taken place, and now is the time to move forward.

6.25 pm

Sir Brian Mawhinney (North-West Cambridgeshire): This is the first time in almost 20 years in the House that I have spoken on a guillotine motion. I spent more than 11 of those years on the Government Front Bench, so the opportunities were more limited than the original statistic might suggest. When I stepped down from the Opposition Front Bench in June, had anyone suggested to me that this, my first Back-Bench speech since 1985, would be on a guillotine motion, I would have been deeply sceptical. Nevertheless, that is the speech that I shall make.

I am sorry that the Home Secretary has left. I hope that the Minister will tell him that I feel moved to speak because of the Home Secretary's insistence that closed lists were some sort of matter of principle that lay at the heart of the Government's thinking on the Bill. For, as my right hon. Friend the shadow Home Secretary reminded the House, it was my intervention at the Dispatch Box on Second Reading that elicited from the Home Secretary the acknowledgement that he had an open mind on whether there should be a closed list or an open list.

I shall not quote verbatim, but I believe *Hansard* records that the tenor of my remarks was that that was a significant statement by the Home Secretary, which I asked him to repeat. I said that we would want to consult with him during that period of open-mindedness. I hope the House will understand why I am singularly unimpressed by those on the Government Front Bench who now try to peddle the line that they were always in favour of the closed list, as a matter of principle.

May I add, for the Minister to convey to the Home Secretary, that in the House on a number of occasions since the general election I have expressed appreciation to the Home Secretary for his courtesy and for the way in which he has behaved? So I am not—I repeat not—suggesting that the Home Secretary is behaving in a duplicitous way. However, it is right to point out to the House that that newly acquired principle is precisely that—a newly acquired principle to enable the Government to get their legislation.

I have no problem in principle with the concept of guillotine motions. I have always held in high regard my hon. Friend the Member for Aldridge-Brownhills (Mr. Shepherd), who has principled opposition to guillotine motions. He will recall that on a number of occasions during the previous Administration, when he was speaking vehemently against the previous Government introducing guillotine motions, I frequently came into the House to listen to his contribution, even though the Government Whips might have thought him slightly less helpful than they would have wished.

There is a principled argument against guillotine motions, but I do not hold it. It is right that the Government of the day should get their legislation. We introduced guillotine motions and, in doing so, followed a precedent of the previous Labour Government. I have no problem with the Government introducing a guillotine motion as such this evening, or with the Government invoking the Parliament Act. The Home Secretary, rather unconvincingly, spoke about the conventions of the other place having been torn up in the case of the Bill.

As my right hon. and hon. Friends have pointed out, the Parliament Act exists precisely because there is always an opportunity for the other House to move beyond revision

on an issue that may affect the passage of a Bill. As Labour Members have said, if that happens, it is right that the elected Government of the day should have their will. The Parliament Act is there is ensure that that happens. But I hope that the Minister will not persist in the charade—a charade that is hard to defend—that, because the Government of the day have lost a few votes in another place, that can be spun into a great constitutional crisis.

I remember when—weekly, it seemed to me—Viscount Cranborne reported to the last Government the number of votes that that Government were losing in the House of Lords. Losing votes is not in itself a prelude to a constitutional crisis.

Mr. George Howarth: The difference is that, on this occasion, the House of Lords has overturned decisions made by the House of Commons. I do not think that a precedent for that was established when the right hon. Gentleman's party was in government.

Sir Brian Mawhinney: There may not be a precedent for this degree of repetition, but there was a recognition of something that still obtains today. It was recognised that the Parliament Act was intended to ensure that the will of this Chamber would ultimately prevail. That is right. It is the Government's view, and it would be the view of the Conservative party whether it was in government or in opposition. None of us questions the fact that, ultimately, the will of the democratically elected Chamber should prevail—and it will prevail in regard to this Bill. That is what the Parliament Act is about.

I hope that the Minister will forgive a Member of Parliament who has been in the House for quite a long time for not falling prey to the excitement about this great constitutional crisis that Ministers—with, I must say, a conspicuous lack of success—are trying to generate. I must tell the Minister that my feelings about the motion are ambivalent. I believe that depriving my constituents of their historic rights to vote for an individual is an outrage. I will not mince words. I am interested by the number of constituents who, without being prompted, have made clear to me that sense of outrage during the past few weeks. It will not comfort the Minister to learn that the affiliations of those people extend well beyond those of people whom, even in my wildest fantasies, I would expect to vote for me as a parliamentary candidate.

The Minister will know from my speech on Second Reading—the Bill's first Second Reading, that is—that I am deeply unhappy about the ending of constituencies, as opposed to areas.

Mr. Deputy Speaker: Order. That may displease the right hon. Gentleman, but we are debating a timetable motion, and he should not go into matters that will be dealt with on Second Reading in any depth.

Sir Brian Mawhinney: I note your guidance, Mr. Deputy Speaker.

My point is that I am outraged by the imposition of a guillotine. Owing to the lack of time for debate, hugely important issues cannot be explored in the detail that they require. I must tell the Minister, however, that although I am outraged by the timetable motion, in a sense I welcome it. It will be apparent even to the most partisan Labour supporters outside the House that, when their Government provide for a timetable motion, a Second Reading, a Committee stage, a Report stage and a Third Reading to take place in four hours, it is clear that that Government do not expect the primary legislation that is being debated to be given the scrutiny—from elected Members—that it deserves. I welcome that aspect of the motion, which constitutes the most powerful demonstration to the public of the Government's arrogance.

The Prime Minister became very frisky the other day. He does not like being called a control freak. I assume that the Minister does not like being called a control freak either.

Mr. George Howarth: I never have been.

Sir Brian Mawhinney: In that case, the Minister does not understand the collective nature of government. The present Government are made up of control freaks: people who are arrogantly telling the country that, in regard to major legislation, they know better than the combined wisdom of the House of Commons. They will not even give the House of Commons an opportunity to examine this fundamental constitutional Bill. However the Minister wishes to slice it, that conveys an arrogant message to the people, who now understand that it is increasingly the Government's attitude.

In that sense, I welcome the motion. It is politically hamfisted. The Minister expects the House to look at a constitutional Bill and debate the timetable motion relating to it, all in four hours. That is the message that is being sent to the public. The issue is not the guillotine, or even the timetable. As the Minister will recall, when we debated the Bill in the last Session we discussed the amount of time that it would be appropriate to set aside to examine the issues. The Minister will, I think, be gracious enough to concede that we did not filibuster at any stage. We kept our word, and gave the Bill adequate consideration—and, having done so, we did not berate the Government for tabling it.

I give way to the Minister.

Mr. Howarth: I was not asking the right hon. Gentleman to give way, but as he has been kind enough to do so, let me say this. I confirm what he has said, but it rather contradicts the overall point that he is making. The Bill was given detailed consideration when it was dealt with in the House of Commons during the last Session.

Sir Brian Mawhinney: On the contrary. Only a few days ago, the Minister and I went to another place and heard Her Majesty introduce a new Session of Parliament. We heard a list of Bills that would constitute the business of the current Parliament. Although this Bill was not mentioned, it has been introduced, and the House has a right to scrutinise it.

If the Minister genuinely believed that an element of scrutiny had taken place that ought to be taken into account this time around, it would have been courteous of him—or the Home Secretary—to replicate the discussions in which we engaged during the last Session, in order to secure an arrangement. Ministers did not do that; instead, they sent the country a message conveying the

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Government's arrogance in tabling a motion allowing a total of four hours—including three hours for the guillotine debate—for discussion of every stage of a constitutional Bill.

Mr. Clive Soley (Ealing, Acton and Shepherd's Bush): I cannot allow the right hon. Gentleman to persist in his charge of arrogance, given that he served in one of the most arrogant Governments in recent history. I should also be interested to learn why the right hon. Gentleman felt perfectly able, in the last Government, to impose a list system on Northern Ireland.

Sir Brian Mawhinney: As the hon. Gentleman—better, perhaps, than most Members of Parliament—will recall, the legislation to which he refers was intended to enable parties—not individuals—to become involved in discussion, with a view to building on the foundations that we had laid for the Good Friday agreement. The nature of the passage of that legislation was different from the passage of this Bill. The hon. Gentleman, with his detailed knowledge of Northern Ireland, knows that and I hope that he is encouraged that I know it, and remember it, as well.

I give my right hon. Friend the Member for Sutton Coldfield (Sir N. Fowler) a message. We have four hours, of which more than an hour has been used. I hope that Opposition Front Benchers will not play the Government's arrogant game and that, when the guillotine motion takes effect and we move to Second Reading, my right hon. and hon. Friends will give the Bill the detailed consideration that it deserves, as is appropriate to a Second Reading debate.

If that gets us to the end of four hours before the debate on Second Reading is completed, so be it. The message that will be sent to the country is that the Government are arrogant. The fact that we could not complete the debate on Second Reading, even though there was no hint of filibustering, would add weight to that charge of arrogance. This is a despicable motion, and I hope that the House rejects it.

6.41 pm

Mr. David Curry (Skipton and Ripon): If I set off now, I could reach neither Skipton nor Ripon in four hours. If I had set off when the debate began, I could not have been in my constituency meeting people by the time that we had completed the entire consideration of a major constitutional Bill. That shows the extent of the discussion that we shall have.

The Home Secretary has only himself to blame for his situation. He began by treating the measure with the utmost flippancy, and he has ended by treating it as constitutional outrage. There has been no intermediate stage between the two—it is quite a transition. He began by reminding us that he was quite open to the idea of an open list, which is why we are so concerned, but it fell foul of the Belgian consideration. The House fell apart, having realised that because the Belgians use it, it is, almost by definition, something that cannot not be pursued. I am afraid that that is rather typical of some attitudes.

I have three concerns, and they are all to do with time. First, we need time to discuss three things that matter. Unlike some hon. Members, I believe that we need a European Parliament that enjoys legitimacy. It has a major role to play—a role that neither this House nor any national Parliament can play. As legislation in the European Union develops and becomes more complex, it has to be subject to scrutiny. We in this House try to play our role and try to play a complementary role to the European Parliament, as we should, but it will not do to bundle into this world—through a sort of Caesarean section imposed by a guillotine motion—Members of the European Parliament who do not have the legitimacy to do their job properly.

That is not the right way to deal with constitutional legislation. I have been in the job, and it is difficult enough to discharge one's responsibilities in the European Parliament without feeling that the whole thing has been pushed into a slightly contemnible existence.

This is happening against a background of the ethnic cleansing that has taken place in the Labour party, in respect of the purging of its lists. Selection in my party has not exactly been in disarray, but there have been one or two minor disagreements. No doubt selection in the Liberal party—using whatever jargon it needed to make sure that selection was man-woman-man-woman and perfectly matched to the latest social trends—went extremely well.

All of us would have a certain amount of fun and games if we had to go back to the first-past-the-post system, but the key is that we must have legitimacy for the Parliament. We need to discuss the fact that the Bill will impose institutional anonymity for MEPs, and impose it by guillotine.

The second reason why we need more time is because we have to reflect on the legitimacy of this House. It is a curious and slightly perverse coincidence that, only a week or so ago, we were discussing how to improve our scrutiny of European legislation, and the fact that we were not doing the job adequately and needed to do it better. Practically simultaneously, the guillotine motion has shown what we really feel about the scrutiny of European legislation—it is a secondary issue.

It is crucial that we be consistent with ourselves. I believe in scrutiny, by this House and by the European Parliament. We need equivalent legitimacy to do that job in the name of all our constituents.

Mr. Ian Stewart (Eccles): The right hon. Member for North-West Cambridgeshire (Sir B. Mawhinney) said that the measure had been adequately scrutinised. Does the right hon. Gentleman disagree with him?

Mr. Curry: Of course I disagree, for two reasons. First, the scrutiny was of the extremely narrow amendments that came back from the other place. Secondly, we are in a new Session. As far as I am aware, the constitutional rule of this House is that each Session is sufficient unto itself. I understand that only private Bills can roll across Sessions; we have not yet changed our rules.

Sir Brian Mawhinney: Will my right hon. Friend confirm that nothing about the imposition of the Parliament Acts requires a Bill to be guillotined in such a way when it comes back for consideration in a second Session?

Mr. Curry: My right hon. Friend, who has been a Member of the House for twice as long as me, is absolutely right. I am grateful for his remark.

The third reason why we need more time is that the Bill diminishes democracy in one obvious way—there will be no by-elections. We all know what a check by-elections are on Governments. Moods and circumstances change, and by-elections are massively inconvenient. We might wish that they did not happen.

The one crime that is even worse than openly dissenting from one's party is dying while a Member of this House, which is massively inconvenient for the Whips. I go to the gym so that I can be difficult by the former method rather than the latter, but by-elections are a useful check and their absence will lessen democracy.

A list system also lends itself to abuse. We used to have the list for the European Parliament, which is why the issue of time needs to be developed—

Mr. Deputy Speaker: Order. When we debate Second Reading, the right hon. Gentleman can put all those arguments. At the moment, we must talk about the narrow subject of the guillotine motion.

Mr. Curry: Thank you very much, Mr. Deputy Speaker. I shall merely offer an aperitif, in that we must be allowed time to consider how the measure could be disfigured. Continental politicians or the leaders of the party—

Mr. Soley: On a point of order, Mr. Deputy Speaker. I understand that the leader of the Conservative party in the House of Lords has resigned. Could we have a statement from the Opposition about whether Conservative Front Benchers in the Commons are speaking for the Conservative party in the House of Lords any more, or are there two Conservative parties—one in the Lords and one here? Either way, it would assist the debate if we knew who is speaking for them.

Mr. Deputy Speaker: Order. Only the Government have powers to make statements in the House.

Mr. Curry: Many accusations may be laid against me, but speaking for the Conservative Front Bench is not currently one of them. Therefore, I can continue.

The abuse of the system that can take place is that party leaders—significant political figures overseas—may lead the list and be Members of the European Parliament for 10 minutes before resigning. Did people vote to have Mr. Chirac, Mr. Giscard d'Estaing or Mr. Jospin resign after 10 minutes? Are we to lend ourselves to that manipulation of the lists, where people are merely spectators and are exploited? That is why time—

Mr. Deputy Speaker: Order. Only the right hon. Gentleman's last comment was relevant to the motion. He cannot put arguments about closed and open lists at this stage.

Mr. Curry: A talent in politics is to have the intuition to realise when an argument has been taken as far as circumstances permit. I shall therefore conclude.

The Government should have their business, but they should work for it. They should have the Bill, in the end, because that is democracy—but they should work for it. This serious constitutional measure breaks with tradition in our politics. It changes how we have naturally thought about the way in which our politics operate and the chemistry of the democracy that we defend. That is why we should give the Bill detailed scrutiny. The Government's imposition of this guillotine is an abuse of the spirit of the way in which things are done in this country.

6.50 pm

Mr. Richard Shepherd (Aldridge-Brownhills): There is an element of deja vu about these debates. What goes around, comes around. It is cheering to see Conservative Members solidly opposing the guillotine with such fire, and the extraordinary spectacle of the Home Secretary defending what I genuinely believe to be the worst written guillotine motion that has ever been put before the House.

To support his contention that this motion is desperately necessary, the Home Secretary invoked the words of Lord Biffen, when he was Leader of the House of Commons, during the passage of the European Communities (Amendment) Act 1986. I voted against the guillotine motion on that legislation, and I seem to remember that the Home Secretary also did so. The Home Secretary referred to it not because of his voting record, but because it was a constitutional measure. He wanted to show that this business motion is in tune with many previous business motions.

Many parents tell their children that, if something that was done before was wrong, doing it again does not make it right. That is an evident truth. However, the basis of the Government's argument is that the Conservative Government were wrong to impose that guillotine motion, but now that they are doing it on a constitutional issue it is right to do so. That is nonsense.

The difference between the European Parliamentary Elections Bill and the European Communities (Amendment) Bill of 1986 is important. This motion imposes a guillotine before we have had Second Reading and before we have had a stumble in Committee. It is not being imposed because the Report stage is manifestly being delayed wrongly. It is being imposed before we have even come to debate the issues in the Bill. That did not happen under what I believe was a profoundly wrong guillotine on the European Communities (Amendment) Bill, and that is the difference.

When has there been a similar guillotine motion?

Mr. Allan: I have listened to the hon. Gentleman with great care, because he is, by repute, good on such matters. I can point to another difference. The right hon. Member for Richmond, Yorks (Mr. Hague) announced before the Bill came to the House that he would show zero tolerance towards it and would do all that he could to obstruct it. How could we have had agreement on a sensible timetable given the Leader of the Opposition's comments?

Mr. Shepherd: The hon. Gentleman refers to a "sensible timetable", and that is the point. I am addressing the timetable motion before us—I hope within the terms of the Standing Orders. My proposition is that it is not a sensible timetable. As it is the only timetable I can refer to, the hon. Gentleman will understand why there is no way I can row in his boat.

What were comparable motions? I regret that the Home Secretary is following in the footsteps of my noble Friend, Lord Baker. The great precedent is that sterling piece of

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legislation, the Dangerous Dogs Act 1989, which was guillotined before Second Reading. That was an outrage. Under the terms of that motion, six hours were allowed for Second Reading, which included—as this motion does—the guillotine. The Committee of the whole House lasted for five hours and Report and Third Reading took one hour, so 12 hours were allowed to debate the Bill's contentions.

That Bill also had something that this Bill does not have; I regret to say that it had the support of all parties in the House. Lord Baker put to us an imperative, sent to him by those two trusty, Labour-supporting papers, *The Sun* and the *Daily Mirror*, which assured him that the nation was at risk of being consumed by dangerous dogs. As I recall through the mists of time, he wanted action this day on all stages, because he had identified that the summer was when bitches were in heat, and that a new breed would assault us before Christmas.

The Government have grasped the worst possible way of constructing a guillotine. I accept that the House does not necessarily share my reservations about guillotines. The Home Secretary has allowed three hours for debate on the guillotine motion and a vote. The Government are prepared to countenance the possibility that the debate on the guillotine and the vote will reduce the time allocated for Second Reading, Committee of the whole House, Report—we know that that will not be allowed—and Third Reading to 40 minutes. The Home Secretary's opening speech took half an hour. He was generous in giving way, which is proper because these are sensitive and difficult matters, but that was at the expense of the debate and vote. That is why this is a vile and outrageous motion. The Government are seriously contemplating taking all the stages of this Bill in the short time of 40 minutes.

Assuming that we get through Second Reading, we would then consider the reasonable amendments that have been tabled, such as those dealing with by-elections. That matter is relevant and concerns many people. We may want to divide on such an amendment. The Home Secretary has barely stood up; we will have a vote; the business will be over and the Bill shipped to the Lords. That cannot be right. We are adults.

We represent people, and we understand the processes. I understand the fight between the Opposition and the Government, because those matters touch on the electoral process, on the people whom we represent and on why we are chosen to represent people. The Government are prepared to condense the debate into 40 minutes at the most. That is the proposition on the Order Paper. They may have hoped that the debate on the guillotine would be over in a minute or two, so that we would have had four hours for the rest of the proceedings. We should reflect on that. We would have had four hours to debate a Bill affecting our parliamentary electoral system and the nature of representative democracy in comparison with 12 hours devoted to the Dangerous Dogs Bill.

That legislation never did the Conservative Government much good. Some hon. Members may remember the long line of people who came to tell us that their favoured and loved mutt was not what other people claimed it was. The new law bedevilled the courts. I do not think that Lord Baker of Dorking would include in his learned range of interests on his curriculum vitae the fact that he introduced the guillotine on the Dangerous Dogs Bill.

I do not want to think of the Home Secretary in that context, but he has introduced the Dangerous Dogs European Elections Bill, and it does not do him justice. This process has become almost farcical, and it denigrates the Chamber. I am seeking to get just some glimmer of sympathy from Labour Members. We know that there is no problem on the Bill. The 1911 Act is being invoked, which is in accordance with the constitution. That is the Government's position.

The previous Government acted in a similar manner with the War Crimes Bill and that did not create great excitement. This Government have insisted on playing ping-pong with the House of Lords. After the second time the Bill returned they could have announced their intention to invoke the 1911 Act and the Bill would have proceeded on a proper course, in accordance with both our written constitution and the conventions of that constitution, but this is a play. *[Interruption.]* I am sorry, I do not understand. If the hon. Member for Weaver Vale (Mr. Hall), the Labour Whip, wants to interrupt, I am prepared to sit down and listen to him. [HON. MEMBERS: "Come on."] There is no point in making that comment. We have a Deputy Speaker who keeps good order. Even during the worst days, when I was in fear of my life from my side, the Whips showed some form of courtesy in the discussion across the Floor of the House. I point out to you, Mr. Deputy Speaker, that there is a role here for you.

Mr. Deputy Speaker: There is definitely a role for the Deputy Speaker. I ask hon. Members on both sides of the House to be quiet, but particularly the Whips.

Mr. Shepherd: I am grateful for your protection, Mr. Deputy Speaker.

This is part of a bigger game, a bigger play, to which we mere Back Benchers are not party. The Government's actions are an attempt to grab public opinion. Remember that part of the role of an Opposition is to try to cause delay; Oppositions have done it in the past. That is understandable because, ultimately, we will all stand in front of the electorate and be judged on the way in which we conduct ourselves. Unfortunately, many of my former colleagues have already been judged. That, in turn, will be the fate of this Government, so we should be more mindful about the processes in which we take part because they protect all the interests of all the people here.

It was only the Government who brought the Bill back, not the Opposition. The Government are invoking the 1911 Act. Given that the Bill had been rejected twice in the Lords, it would have been right to invoke that Act then, but we went through the farce five times, backwards and forwards, trying to see down their lordships. Now we are going to go through it again with the nonsense of trying to assert that there is a constitutional blockage. There is none and the Home Secretary knows it. That is why we have this outrageous, truly humiliating guillotine. It cannot be a serious guillotine.

Like most of the people of this country, I trust the Government. By and large, we want our Governments to succeed. We do not want them to fail, but to see such contempt for constitutional propriety is extraordinary.

Mr. George Howarth: Does the hon. Gentleman accept that, in the previous Session—I accept that this is a new Session—the Bill, which is six clauses long, was debated for 34 hours and that the identical Bill has come back again? Does he not think that that should have some bearing on the way in which we deliberate on the matter?

Mr. Shepherd: I have weighed that up, but the point is that the Bill came back for debate on the narrow focus of Lords amendments. I never spoke during the entire consideration of the Bill. There was only one major discussion of it—Second Reading—and because of time constraints, I did not get called. That is not unusual, but what came back from the House of Lords were the narrow Lords amendments. That is what we have been discussing five times.

Now the Bill has been re-presented in a new Session of Parliament in its entirety but, as was pointed out by my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), there is an omission from the amended form—the Government's only amended form: the review mechanism after the elections. That is now omitted, for reasons that we understand. The Government may wish to include it again, but they cannot because they are trapped by the 1911 Act. We understand that, but it is not us who have made the fuss. It is the Government.

I understand why the Government may want to obscure the issues behind this matter with their intentions on the House of Lords, but they have their mandate on that. They will get what they want on the House of Lords; no one doubts that either. Our question on that has always been where is the check and balance, and what will be the second stage of that reform? That is a perfectly reasonable question to pose in political debate.

As I said at the start, in the middle and towards the end of my speech, this is a thoroughly bad guillotine. If we do stand for something, and we are all judged, as I tried to show, as individu.. Members of Parliament, we should have a word to say about the proper processes of this House. Leastways, let us have amendments and properly discuss the matter.

The amendments that were mentioned by my right hon. Friend the Member for Sutton Coldfield (Sir N. Fowler) are worthy of discussion. I hope that the House has respect for that and that the Government reflect that this is nonsense. Even at this late stage, they can move to make the process more acceptable to all hon. Members.

7.6 pm

Mr. Clive Soley (Ealing, Acton and Shepherd's Bush): Although I have missed some of the debate, for which I apologise, I have heard more than enough to convince me that there is a case to speak on the guillotine motion, which is causing so much distress among Conservative Members. I will refer to the comments of the hon. Member for Aldridge-Brownhills (Mr. Shepherd) in a moment. I know his views on this very well; I have some sympathy for the general thrust of his argument, although not on this issue.

If anything, my right hon. Friend the Home Secretary should stand condemned for doing too much to help the Conservative party by getting the Bill through as fast as possible. If the Leader of the Conservative party in the House of Lords has resigned because he is trying to do a deal to try to cope with the problems that the party in here has caused him—

Miss Melanie Johnson: He was sacked.

Mr. Soley: Sorry, he was sacked; that is right. I am never sure whether they use a guillotine in the House of Lords, but, if he has been sacked, fair enough. What we knew full well is that the leader of the Conservative party in the House of Lords was saying one thing, and the leader of the Conservative party in here was saying something entirely different. I would have thought that the guillotine would do them a favour by getting the Bill through as fast as possible and out of the way, with the least possible embarrassment.

Let us consider the Back Benchers' role, which is what genuinely concerns the hon. Member for Aldridge-Brownhills. As we all know, this is a battle between the Lords and the Commons. It involves the rights of this elected Chamber on a certain issue, which the Conservative party in the House of Lords, using its in-built majority, has sought to push back here time and again. My hon. Friend the Under-Secretary of State for the Home Department, my hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth), was accurate in his intervention. This Bill has already been debated in the previous Session.

I think that one Conservative Member referred to that debate being in the previous Parliament. If that had been the case, Conservative Members would be right about providing adequate time for debate because Parliament would be full of new Members—or there would be many new Members. The previous Session, however, was attended by the same people as are present during this one; they had the same debate on the same issues for more than 30 hours. People outside do not understand it when hon. Members spend 30-odd hours on a fairly narrow issue: in this case, proportional representation.

There are many different forms of proportional representation throughout the world—closed lists, open lists and others—all of which have their advantages and disadvantages. They are all relevant. None is totally bad, any more than the first-past-the-post system is totally bad. They all have merits and problems, but the point is that to debate that matter over and again is nonsense and we know it.

There is one problem for Back Benchers; the hon. Member for Aldridge-Brownhills is an example of it par excellence. I know that he has frequently been in a minority of one in his party and I respect him for that. The problem for Back Benchers is that they want to use time to challenge the Government. I have had this debate with the hon. Gentleman before, but tonight I extend it to his party, to which I offer some advice. It has had about 18 months in opposition. I had 18 years of it and much of that time was spent trying to prove that time was the best weapon that I had against a Government with a big majority. As the right hon. Member for North-West Cambridgeshire (Sir B. Mawhinney) knows full well, it very rarely worked. As for my contributions on the issue of time, even when I was making the best case possible, it was the painful elaboration of the obvious. I would

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repeat it time and time again in the hope that one day the Government would say, "My God he's right. Why don't we do what he says? It is so sensible." Of course, it does not work like that. Sometimes one can get a Government to change but very rarely by the exercise of time, unless they are up against the end of the Parliament or Session.

Sir Brian Mawhinney: The hon. Gentleman's expositions were always excellent, they just were not persuasive.

Mr. Soley: The right hon. Gentleman is kind but if they were excellent, I should have had some credit for it. Even one or two amendments would have been appreciated.

As the hon. Member for Aldridge-Brownhills knows, I sympathise with his frustration about the declining power—not role, but power—of Back Benchers. He is right that there is a problem, but as I have told him elsewhere, the issue is about timetabling. As I have said before, having learned the painful lesson over 18 years, there is a real advantage for Back Benchers in good timetabling. That needs to be agreed between parties. The problem in this case is that we cannot have a normal timetabling programme because of how the matter was handled in the previous Session and because it is part of a much bigger battle between the House of Lords and House of Commons. We need to get the Bill through, and without any more messing about.

Given all the debate in the previous Session, and as we know full well what the issue is, and as the issue has already caused enormous problems in the Tory party, the Opposition should be trying to get the Bill through. I was in Brussels the other week at the European Commission. Conservative Members of the European Parliament were saying, "For God's sake, don't give us first past the post at the European elections." One reason is that many more of them would lose their seats. The other reason that they are worried about what is happening here is that they fear that the Conservative party is trying to marginalise those of its members who are sympathetic to Europe, such as the right hon. Member for Skipton and Ripon (Mr. Curry). He referred to institutionalised anonymity. For a terrible moment, I thought that he was referring to the Leader of the Opposition.

The problem for the Conservative party with its MEPs is real because they do not want first past the post. They would like this Bill to go through and to have a list system precisely because they know that in large constituencies where Members are not known, it is better—

Mr. Deputy Speaker: Order. Some hon. Members have been given some leeway, so I have given the hon. Gentleman some. However that leeway must finish because we must get on.

Mr. Soley: I had anticipated your intervention, Mr. Deputy Speaker, though not quickly enough. I simply note that Conservative MEPs would like the guillotine to work to get them off the hook.

The hon. Member for Aldridge-Brownhills has a genuine point about the power of Back Benchers. As I have told him often before, constantly talking at Governments does not work. I have 18 years of intensive experience to prove it. What works is good timetabling of Bills, giving plenty of allowance to the Opposition, taking evidence about Bills and all the other things that we have discussed on the Modernisation Committee, on which we both serve. They also make more sense to people outside.

We have had more than 30 hours of debate on the issue. The fact that this is a new Session does not mean that those words were wasted or that those who spoke had nothing to say but that we have had that debate and need to move on. I end as I began: we need to move on, if nothing else for the sake of the Conservative party and its various parts in the House of Lords.

7.15 pm

Mr. Andrew Lansley (South Cambridgeshire): I have sat through many of the 34 hours of debate, so hon. Members will not accuse me of coming new to the issue. Three myths are being propagated about this guillotine motion. The first was perpetuated by the hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Soley). It is the idea that this is all about a debate between this House and the upper House. It is not; it is a debate on a guillotine motion strictly confined to the question of how much time should be allowed for debate of this Bill in this House before we send it back to another place. It is then for another place to determine how to deal with it in the light of the events of the previous Session.

The second myth is that the Bill had all the attention that it needs during previous debates. Let me instance two respects in which that is not true. Firstly, my right hon. Friend the Member for North-West Cambridgeshire (Sir B. Mawhinney) rightly pointed out that on Second Reading on 25 November 1997, the Home Secretary left his mind open on open and closed lists. Interestingly, it was on 9 March, before Report and Third Reading, that he told the House that he opposed open lists and favoured closed lists; the Committee had concluded its deliberations on 5 March. The Home Secretary came back to the House when only one day's debate was left for open and closed lists.

Although the Committee was able to examine the Bill, it was not examined on the basis of the Home Secretary's final decision on open and closed lists or of his explanation for the decision. Although lists were debated several times in this House, much of the debate was on whether we agreed or disagreed with the Lords in their amendments, not on whether this House wanted to substitute a different form of open list from that chosen in another place.

Mr. Allan: Will the hon. Gentleman give way?

Mr. Lansley: I shall in a moment because the hon. Gentleman understands my point perfectly well. In Committee, the Liberal Democrats proposed a Belgian list system, which the Home Secretary wished to consider. That was not the system sent back to this House by their lordships, which was a perfectly viable alternative open-list system that was not then debated at length in this House.

Mr. Allan: The hon. Gentleman noted our amendment but there was a Committee in the other place in June in which the issue was debated at length. A vote on open

lists was taken and lost. At that point, many sensible hon. Members realised that the decision had been taken and the argument lost.

Mr. Lansley: That is a weak argument with a weak defence. The Labour and Liberal Democrat coalition on the matter has moved to the defence that we do not need to debate it in this House because there was a debate in another place. That will not do. The debate on open lists has still not taken place to a satisfactory extent in this House for the simple reason that we have not had an opportunity to move a series of different amendments. Because of the way in which the debate on the amendments moved by the Lords took place, questions such as those that I raised about the form—

Mr. Deputy Speaker: Order. The only hon. Member who has kept to the guillotine motion was the hon. Member for Aldridge-Brownhills (Mr. Shepherd). Every other hon. Member has gone on to matters that could easily be brought up on Second Reading. I ask the hon. Gentleman to take a leaf out of the book of the hon. Member for Aldridge-Brownhills.

Mr. Lansley: My purpose is straightforward and I shall be as brief as I can. I want to show that there are valid reasons for allowing greater time for this debate because these matters have not yet been satisfactory debated in this House. I shall not dwell on open and closed lists because I have shown by reference to the timetable so far that debate has not taken place in this House in the open-ended form in which it should have.

The third myth—the Government's third false statement—was the Home Secretary's assertion that we are dealing now with exactly the same Bill. Earlier in the debate, I made the point, which was developed by my hon. Friend the Member for Aldridge–Brownhills (Mr. Shepherd), that we are not dealing with the Bill that was sent back to the other place with an amendment on reviewing the electoral system. Although I realise that Ministers will say that we are not dealing with that Bill because of the requirements of the Parliament Act 1911, it begs the question—if the Government persist in their intention of using closed lists—in what form should the Bill be sent back to the other place? Should it be sent back specifying closed lists and no review, or with a review? What intentions do the Government have to amend the Bill further in the other place?

I hope to catch your eye, Mr. Deputy Speaker, on Second Reading to elaborate on the point that we are not dealing with exactly the same Bill that we debated for all those hours in the previous Session. Not only have recent events, for example, the European parliamentary by-election in Scotland, suggested a valid need for amendments on by-elections—and we have not debated such amendments—but attached to the Bill is an explanatory memorandum differing from that which applied to the Bill that the House considered in the previous Session.

The Minister will know that, with the enactment of the Human Rights Act 1998, Ministers must now make a statement in a Bill's explanatory memorandum on its compatibility with the European convention on human rights. The Home Secretary made such a statement of compatibility on 26 November—therefore, after the point at which the House could have debated the previous Bill.

The point—which we shall debate subsequently, Mr. Deputy Speaker; I am merely trying to demonstrate that there is a point of real substance—is that article 3 of the first protocol of the European convention on human rights, which was brought into force by the Human Rights Act 1998, states:

"The High Contracting Parties undertake to hold free elections at reasonable intervals by secret ballot,"—

so far so good—

"under conditions which will ensure the free expression of the opinion of the people in the choice of the legislature."

It is entirely debatable whether the Bill is compatible with that convention provision, and whether voters will be able to express an opinion on issues such as the moral stance taken by a party's candidates on issues of conscience or to express freely their opinions on the choice of candidate presented by a party. It is far from demonstrable that the Home Secretary is right on the matter.

After passage of the Human Rights Act 1998, the important issue for the House to decide is whether it is right for us to pass this legislation in the form in which the Government are proposing it. If I catch your eye on Second Reading, Mr. Deputy Speaker, I hope to elaborate on that argument.

In only a few moments, I have demonstrated that—in addition to the amendments that my hon. Friends have tabled, which should be debated, but for which the Government have allowed inadequate time—a range of issues should be addressed.

Question put:—

The House divided: Ayes 347, Noes 124.

Division No. 5] **[7.23 pm**

AYES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Armstrong, Ms Hilary
Ashdown, Rt Hon Paddy
Ashton, Joe
Atkins, Charlotte
Austin, John
Baker, Norman
Ballard, Jackie
Banks, Tony
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Begg, Miss Anne
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blizzard, Bob
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm *(Gordon)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burstow, Paul
Cable, Dr Vincent
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Canavan, Dennis
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chidgey, David
Chisholm, Malcolm
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*

Clarke, Tony *(Northampton S)*
Clelland, David
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Connarty, Michael
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Dafis, Cynog
Dalyell, Tam
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Denham, John
Dewar, Rt Hon Donald
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Ewing, Mrs Margaret
Fatchett, Derek
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Galloway, George
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Graham, Thomas
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harris, Dr Evan
Harvey, Nick
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Hughes, Ms Beverley *(Stretford)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keetch, Paul
Kemp, Fraser
Kennedy, Charles *(Ross Skye)*
Kennedy, Jane *(Waveritree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Linton, Martin
Livingstone, Ken
Livsey, Richard
Llwyd, Elfyn
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Maclennan, Rt Hon Robert
McNulty, Tony
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Michael, Alun
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moore, Michael
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Norris, Dan
Oaten, Mark
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Öpik, Lembit
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Reed, Andrew *(Loughborough)*
Rendel, David
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Russell, Bob *(Colchester)*
Ryan, Ms Joan
Sanders, Adrian
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Squire, Ms Rachel
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stunell, Andrew
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Todd, Mark
Tonge, Dr Jenny
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Tyler, Paul
Wallace, James
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
White, Brian
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wood, Mike
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Kevin Hughes and
Mr. David Jamieson.

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Baldry, Tony
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim

Brady, Graham
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fallon, Michael
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Johnson Smith, Rt Hon Sir Geoffrey
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Smyth, Rev Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. Nigel Waterson and Mr. Stephen Day.

Question accordingly agreed to.

Resolved,

That the following provisions shall apply to proceedings on the European Parliamentary Elections Bill:

Timetable

1. Proceedings on Second Reading, in Committee, on Consideration and on Third Reading shall be completed at the sitting this day and shall be brought to a conclusion, if not previously concluded, four hours after the commencement of proceedings on this Motion.

Questions to be put

2. When the Bill has been read a second time—

(a) it shall, notwithstanding Standing Order No. 63 (Committal of Bills), stand committed to a Committee of the whole House without any Question being put,

(b) proceedings on the Bill shall stand postponed while the Question is put, in accordance with Standing Order No. 52(1) (Money resolutions and ways and means resolutions in connection with bills), on any financial resolution relating to the Bill,

(c) on the conclusion of proceedings on any financial resolution relating to the Bill, proceedings on the Bill shall be resumed and the Speaker shall leave the Chair whether or not notice of an instruction has been given.

3. On the conclusion of proceedings in Committee the Chairman shall report the Bill to the House without putting any Question and, if he reports the Bill with amendments, the House shall proceed to consider the Bill as amended without any Question being put.

4. For the purpose of bringing any proceedings to a conclusion in accordance with paragraph 1 the Speaker or Chairman shall forthwith put the following Questions (but no others)—

(a) any Question already proposed from the Chair;

(b) any Question necessary to bring to a decision a Question so proposed;

(c) the Question on any amendment moved or Motion made by a Minister of the Crown;

(d) any other Question necessary for the disposal of the business to be concluded.

5. On a Motion made for a new Clause or a new Schedule, the Chairman or Speaker shall put only the Question that the Clause or Schedule be added to the Bill.

Miscellaneous

6. Standing Order 15(1) (Exempted business) shall apply to proceedings on the Bill at the sitting this day; and the proceedings shall not be interrupted under any Standing Order relating to the sittings of the House.

7. The proceedings on any Motion made by a Minister of the Crown for varying or supplementing the provisions of this order shall, if not previously concluded, be brought to a conclusion one hour after commencement; and the Standing Order No. 15(1) shall apply to those proceedings.

8. Standing Order No. 82 (Business Committee) shall not apply in relation to proceedings on the Bill.

9. No Motion shall be made to alter the order in which any proceedings on the Bill are taken.

10. No dilatory Motion shall be made in relation to the Bill except by a Minister of the Crown.

11. If at the sitting this day a Motion for the Adjournment of the House under Standing Order No. 24 stands over to seven o'clock and proceedings on this Motion have begun before that time, the Motion for the Adjournment shall stand over until the conclusion of proceedings on the Bill.

12. If the House is adjourned at the sitting this day, or the sitting is suspended, before the conclusion of proceedings on the Bill, no notice shall be required, of a Motion made at the next sitting by a Minister of the Crown for varying or supplementing the provisions of this Order.

Mr. John Gummer (Suffolk, Coastal): On a point of order, Mr. Deputy Speaker. Today I have received a written answer from the Secretary of State for Health, who says that he will announce his decision on the closure of a hospital in my constituency "shortly". It turns out that he announced it today and has embargoed the announcement so that he can be photographed in the local newspaper tomorrow with the neighbouring Labour Member of Parliament, who does not have the hospital in his constituency. That seems to me to be an abuse of the House. The decision should have been announced to me

[Mr. John Gummer]

as the local Member of Parliament. The Secretary of State refused to see me, the person in whose constituency the hospital is, but saw the hon. Member for Ipswich (Mr. Cann), who happens to be a member of his party. In 16 years as a Minister, I never did anything of that sort to a member of the Opposition.

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. I am sorry about the right hon. Gentleman's difficulties, but that is not a matter for me. The right hon. Gentleman has been in the House for a long time; he will know how to proceed.

Orders of the Day

European Parliamentary Elections Bill

Order for Second Reading read.

7.39 pm

The Secretary of State for the Home Department (Mr. Jack Straw): I beg to move, That the Bill be now read a Second time.

When I moved the guillotine motion earlier, I said that there was little new to be said about the Bill. As the hon. Member for Sheffield, Hallam (Mr. Allan) more eloquently put it, the time for debate is over and the time has come to make a decision. That is the truth of the matter. I have here copies of the *Official Report* of the debates in the other place and this House on this short—albeit important—Bill. The debates fill many columns. Indeed, we have debated the matter on six or more occasions. We had not only a full day on Second Reading, as we should have done, but three days in Committee on the Floor of the House and a further day on Report and Third Reading.

We were committed at the general election to introducing a proportional system for elections to the European Parliament. So, too, as I said in the debate on the guillotine motion, were the Liberal Democrats. Like everything else in our manifesto and in those parts of the Liberal Democrat manifesto that were coincidental, that proposal received a substantial vote of approval by the British people.

No electoral system is perfect. That was all that my right hon. Friend the Prime Minister said when, as Leader of the Opposition, he commented on the introduction by the Conservative party of closed lists to the Northern Ireland forum in 1996—I have to remind Conservative Members of their two-faced position on closed lists. The hon. Member for Hertsmere (Mr. Clappison) may sigh, as though I should not mention it—

Sir Norman Fowler (Sutton Coldfield): It is tedious.

Mr. Straw: The right hon. Gentleman, unable to think of anything else to say, claims that it is tedious. The moment the Conservatives admit that it was they who first introduced closed lists for an electoral system in the United Kingdom, we can have consensus on the issue and they can recognise the extraordinary position into which they have manoeuvred themselves.

One can understand why the right hon. Member for Sutton Coldfield (Sir N. Fowler) was slightly twitchy during the debate on the guillotine motion. As he was speaking, he was no doubt wishing that he had been present at the emergency meeting of the shadow Cabinet that was called to consider a further consequence of the Opposition's extraordinary tactics in seeking to abuse the Salisbury principles and to override the will of the House of Commons. Talk about pushing one's luck too far. The Conservatives have completely overreached themselves—the whole tactic has blown up in their faces.

As I said, no electoral system is perfect, so one has to balance advantages. For reasons that I shall explain, we believe that the closed-list system best balances the advantages for the European Parliament.

Mr. Paul Tyler (North Cornwall): Does the Home Secretary recall that, in debating the measure in the

previous Session, the leader of the Conservative party and his Front-Bench colleagues regaled us with a great deal of information about the supreme wisdom and judgment of Conservative hereditary peers and, indeed, all Conservative members of the other House? Will he comment on the judgment that they have shown today?

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. The Home Secretary may want to do that, but not here. Perhaps he will do so outside the Chamber.

Mr. Straw: I shall certainly not abuse your authority, Mr. Deputy Speaker—I have known you too long even to try. Before you pull me up, however, I shall say that lawyers know of the doctrine of estoppel. Given what has happened, the argument that those in the other place have shown great wisdom does not entirely lie in the mouths of Conservative Front Benchers.

The European Parliament is different from the Westminster Parliament. The Westminster Parliament exists primarily to sustain a Government and—an honourable function for most of the time—Her Majesty's loyal Opposition. The European Parliament is not an executive body—the Executive is not drawn from it—but primarily a representative body. We believe that it is entirely reasonable that the representatives in the European Parliament—who are, in any case, only one of 15 groups of representatives drawn from all the European Union member states—should be broadly representative of the people of Great Britain. That is better achieved by a system of proportional representation.

As I said on Second Reading on 25 November, and despite the reasonably well-known fact that I see some advantage in first past the post for Westminster, the small number of Members of the European Parliament to which we are entitled—less than 100—and the huge constituencies that we have had to create have meant that that system has failed to achieve a representative result.

I do not think that anyone can seriously argue that the huge constituencies have operated in such a way as to create the connection between the electorate and the elected Member that genuinely is a feature of the system for elections to Westminster. I pay tribute to the work of Members of the European Parliament of all parties, but they themselves say that, given the size of their constituencies and the fact that they have to spend so much time in Brussels and Strasbourg, their ability to make that connection is limited.

The issue that has caused the greatest argument across the Chamber—it is why we are debating the Bill this evening—is the form of the list system. I am glad that, in the dialectical process, we at least achieved unanimity on using in the counting system the divisors invented by our old and now famous friend Victor d'Hondt rather than those invented by Sainte-Lague or even those in the modified version of Sainte-Lague.

For those who, like me, take a real interest in these issues, I add that in America—where there have been great debates about proportional representation systems, even though such systems are not often used there—the d'Hondt and the Sainte-Lague systems have different names. One is called Webster, although I cannot remember which one, and I forget the other name. For those who are interested—

Mr. Martin Linton (Battersea): Will my right hon. Friend give way?

Mr. Straw: One second. I always try to ensure in these debates that more information is imparted. Cambridge, Massachusetts, has a system of proportional representation, whereas Louisiana, reflecting its French heritage, has a majoritarian system similar to the one that operates in France.

Mr. Linton: I thank my right hon. Friend for giving way. Before he is given the golden anorak award for being the greatest expert on counting systems, will he accept that the correct name for the d'Hondt system is the highest-average system and the correct name for the Sainte-Lague system is the rounding-up system? The habit of naming such systems after their inventors rather obscures their simplicity.

Mr. Straw: I am afraid that I shall give my hon. Friend only a bronze award for trying, as I do not think that he is correct. The principal difference that has concerned hon. Members lies in the numbers in the divisors. The d'Hondt system divisors go 1, 2, 3, 4, 5, the unmodified Sainte-Lague system divisors go 1, 3, 5, 7, 9 and—as everyone will recall—the modified Sainte-Lague system divisors go 1.4, 3, 5, 7, 9. Hon. Members should know by now—I am happy to give an anorak to anyone who can tell me—why the modified Sainte-Lague system starts with 1.4.

Mr. Linton: I shall be receiving the silver anorak award. Those mathematical formulae only obscure the point that a divisor of 1, 3, 5, 7 is another way in which to describe the simple process of taking an average, as hon. Members will discover if they try it on the back of an envelope—it is the process by which one rounds up. The point of starting with 1.4 is to avoid what was discovered to happen when the system was first used—that a party with only 5 per cent. of the vote could have its vote rounded up to 10 per cent. and so win a seat. Starting with 1.4 provides an effective threshold.

Mr. Straw: I award my hon. Friend a second-hand anorak for that. As we all know, 1.4 is the square root of two.

At Second Reading, I sought to be open-minded on the exact list system—as I have tried to be on many Bills, as I hope my record makes clear. That has been held against me. The closed-list system was in the Bill. I said that that was our preference, but that we were open to argument. I made no undertaking that we would change our mind, but I said that we would listen to the argument. Indeed, we did—we examined it in great detail. In the event, we came down against the so-called Belgian system, and against the open-list system.

It adds no strength to the argument of the right hon. Member for Sutton Coldfield to criticise us for not being willing to listen to the argument. We took part in considerable debate about the matter. Had the argument been slightly more weighted on one side, we might have

[Mr. Straw]

gone for the Belgian system. In the event—and for the reasons that I explained in February or March—we decided not to do so.

We felt that the open-list system, proposed by the Opposition, would produce the worst consequences of all. It would not provide people with voter choice. It is called an open-list system, but a proper open-list system ensures that there are as many votes as there are vacancies on the ballot paper. Under the Conservatives' back-of-the-envelope proposals, even if there are 11 vacancies—as there will be in one region—there can be only one vote. Therefore, how does one express a preference for the other 10 candidates who are to be elected? The Opposition cannot explain how that will be sorted out.

The Opposition must face the fact that one consequence of their proposal is that somebody in one party who gets 500,000 votes may not be elected, while someone in another party who gets 300,000 votes is elected. The British public will not regard that as fair or explicable.

Sir Teddy Taylor (Rochford and Southend, East): What is the point of having regions at all? If the people will not play a part in deciding who is elected, why do we not have a national list and a national voting system?

Mr. Straw: We could have a national list, and it is perfectly fair to say that some European countries have such a system. I must tell the hon. Gentleman that there has not been a great deal of argument about this point. However, we judged that it was better and fairer to operate the system in regions, but to have national lists in Scotland and Wales. It is a balanced argument—it is not a huge issue of principle one way or the other. A national list would increase the chances of a small extremist party gaining not only support, but Members. That would be an argument against it, but this is not an issue on which people have been engaged.

In my region, people have a strong sense of place for Knowsley, Liverpool, Manchester or Blackburn, but they also have a sense that they are part of the north-west region. Interestingly, that is partly due to the development since the 1950s of commercial television. People's sense of regional identity—even in England—is strong, and it is reasonable to reflect that in the system.

We are told that the closed-list system is a complete abberation and is undemocratic. However, it is used by the majority of voters within the EU—it is used in France, Germany, Greece, Portugal and Spain. We know that, generally, the Conservatives are European-haters. However, the implication of what they are saying is that, in all those countries, the people are not interested in democracy. I do not accept that argument, and their experience has, on the whole, been satisfactory.

Mr. John Randall (Uxbridge): By-elections are a subject close to my heart. I cannot see how it can be democratic that, three or four years into a term, the electors of a region do not have the opportunity to choose—if they want to—someone from a different party. I also wonder what would happen in the case of someone crossing the Floor, as it were—I do not know what one does in the European Parliament. Would that person have to resign his seat?

Mr. Straw: That matter will come up in discussion on the amendments later. The hon. Gentleman's point would be entirely fair if what we were sustaining in the European Parliament was a Government. I readily accept that by-elections play an important part in regulating the conduct of the Government, and in giving the electorate an opportunity—on the random, but reasonably frequent, occasions that they arise—to send a message to the Government and to Opposition parties. However, those arguments do not apply in terms of a representative Assembly. It is not the case that by-elections in the countries concerned have caused difficulty, and I do not think that they will here.

No system is perfect, and this is about the balance of advantage. Given the nature and function of the European Parliament, it is more important to ensure that it is broadly representative than to accommodate the prospect of by-elections. On the occasions when by-elections have taken place, the earth has not moved—*[Interruption.]* Not even in Scotland, where there was a 20 per cent. turnout and 80 per cent. stayed away. In Merseyside, we had the lowest-ever turnout in any by-election—11 per cent.

Mr. James Clappison (Hertsmere): There was one that was lower.

Mr. Straw: I bow to the hon. Gentleman's superior wisdom.

The Opposition should have some humility about the system before they try to elevate it into some great moral principle. The Conservative Government introduced closed lists for the Northern Ireland forum.

Mr. Andrew Lansley (South Cambridgeshire): Will the Home Secretary give way?

Mr. Straw: No, with great respect; I am just about to finish.

The Conservatives can wriggle as much as they like, but they proposed the closed-list system for Northern Ireland, which is part of the UK. It may have been for a particular purpose—this system also is for a particular purpose. At the time, the former Prime Minister, the right hon. Member for Huntingdon (Mr. Major), said that the closed-list system was fair and reasonable. If it was fair and reasonable then, it is fair and reasonable now.

7.58 pm

Sir Norman Fowler (Sutton Coldfield): I can see why the Home Secretary is so keen on a guillotine. Even by his own standards, that was not a persuasive speech. Calling in aid the constitution when he is bludgeoning the Bill through in a few hours will not persuade even his most uncritical supporters. Nor do I think that any of us finds his argument on Northern Ireland at all convincing, given the situation when my right hon. Friend the Member for Huntingdon (Mr. Major), the then Prime Minister, made it clear that the system was for the special circumstances of Northern Ireland.

Let there be no question about it—the debate on the Bill has gone overwhelmingly against the Government. Labour Member of Parliament after Labour Member of

Parliament has spoken against it. However, let me tell the House who has done the best destructive hatchet job on the proposals in the Bill.

The other day, the Home Secretary chided me for a book that I had written. The Home Secretary has not written a book, as far as I know. If he has, it was remaindered before I got to it. However, he has written articles. His House of Commons file is stuffed full of them, including one for *The Times*, entitled "What's So Fair About PR?", dated 4 August 1985. What is significant about the article is not so much the general view as the particular views that he put forward, which go to the heart of the Bill.

In the article, the Home Secretary said:

"Where PR is based on a list system, with votes effectively cast for a party, and the winning candidates taken, pro rata, from each party's list, power passes from the individual constituency party to those who draw up the list."

That, of course, is precisely the case that we have put throughout the debate.

Under a list system, power is transferred from the people to the party organisation. I have made that point, as have the right hon. Member for Chesterfield (Mr. Benn) and the hon. Member for Wrexham (Dr. Marek), and now we know that the Home Secretary agrees with it.

When the Home Secretary wrote the article, he was observing the position in France. He noted that the system had caused a major battle between national and regional parties, with the latter objecting to the "parachuting in" of national candidates without roots in their area.

Again, that is precisely the point that we have been making. That is precisely the case in the west midlands, where an EastEnders actor who appeared at the Birmingham rep is preferred over the local candidate, who may be politically incorrect but possibly knows something about the west midlands.

The Home Secretary then turned to the Liberal Democrats and our old friend Roy Jenkins, if I may be so familiar. He said, correctly, as the Social Democratic party—of happy memory—and the Liberals were about to hold their conferences, that we would be in for two weeks of high-flown phrases about the superior morality and fairness of proportional representation and the way in which it can lead, as Roy Jenkins said, to greater stability of national direction of policy.

The Home Secretary then said:

"It is not an argument which I have ever found convincing. It is giving legitimacy to the semi fascist and overtly racialist French National Front"

I am not sure that I go all the way with that argument, but as it is directed at Liberal Democrats I will not quibble over the details.

Then the Home Secretary produced an entirely new argument. He said:

"There is the inconvenient little fact of Hitler."

I have debated the Bill four or five times—it seems more—and even I have not adduced Hitler in argument, but according to the Home Secretary, the "inconvenient little fact" is that Hitler

"rose to power in the Weimar republic which used a very respectable system of PR. I do not suggest that any other system would have prevented his rise. I do assert that PR did not prevent it—yet moderation and stability is the large and wild claim made for this system by our own centre parties."

I do not believe that any Minister could have more effectively demolished the case for a Bill that he has introduced. The Bill does all the things that he previously condemned. That is why it has been so condemned by his colleagues. The hon. Member for Welwyn Hatfield (Miss Johnson) took courage this afternoon and made a speech that I believe was intended to be in favour of the Government, but she must be joking if she thinks that the Bill has been overwhelmingly supported by her colleagues.

On October 27, the Bill was attacked by the hon. Members for St. Helens, South (Mr. Bermingham) and for Walsall, North (Mr. Winnick). On another occasion, the hon. Member for Wrexham said:

"At the end of the day, if I have the choice, I am an open-list person."

In case we were in any doubt, the hon. Member for Walsall, North reiterated his position. He said:

"I am not in favour of the closed-list system, I have never voted for it and I do not intend to do so tonight."—[*Official Report*, 10 November 1998; Vol. 319, c. 222-28.]

On 16 November, the closed-list system was effectively demolished bit by bit by the right hon. Member for Chesterfield. He was supported by the hon. Members for Crewe and Nantwich (Mrs. Dunwoody) and for Great Grimsby (Mr. Mitchell). The hon. Member for Battersea (Mr. Linton) intervened to support the Government—I think—but his support was qualified by his later confession. When challenged, he said:

"I would prefer an open-list system, but I gave the rationale for a closed-list system."—[*Official Report*, 16 November 1998; Vol. 319, c. 701.]

Not perhaps the most overwhelming support in principle that we have heard.

On 18 November, the Bill was attacked by the hon. Member for Sheffield, Heeley (Mr. Michie), and the hon. Member for Bradford, North (Mr. Rooney) said:

"I shall support the Government tonight even though I am 150 per cent. committed to the first-past-the-post system."

The hon. Member for Swansea, East (Mr. Anderson) sought to make a helpful intervention. He proclaimed:

"The closed-list system ensures that women and people from ethnic minorities can have their rightful place in the list."

Unfortunately for him, the hon. Member for Hackney, North and Stoke Newington (Ms Abbott) was sitting directly in front of him at the time. She said:

"As a woman from an ethnic minority who succeeded under first past the post, I ask my hon. Friend whether he thinks that the closed-list system proposed tonight would be passed in the House on a free vote."

The hon. Member for Swansea, East rather weakly replied:

"I am not a Whip . . . and my arithmetic is very bad, so I would not like to answer that question."—[*Official Report*, 18 November 1998; Vol. 319, c. 979–81.]

So it goes on. The prize for the most fatuous comment and stance goes, I regret to say, to the hon. Member for Sheffield, Hallam (Mr. Allan). Attempting to define the Liberal Democrats' position, he said:

"My party's position remains consistent. Our preferred option is neither a Belgian nor a Finnish model, but one closer to home—the Northern Irish model of the single transferable vote."—[*Official Report*, 27 October 1998; Vol. 318, c. 183.]

[Sir Norman Fowler]

The hon. Gentleman spent the whole debate voting for the closed-list system.

The Government are putting power into the hands of the party, not the public. Outside candidates, with no local roots, are being "parachuted in", to use the Home Secretary's phrase. The public are being given no choice. The Bill does away with the public's right to choose a candidate and abolishes by-elections if a candidate resigns or defects.

The Home Secretary justifies all that with a series of arguments that, frankly, convince almost no one but his Front-Bench colleagues; and they probably do not convince even them. He reveals an obsession with candidates being parachuted into constituencies—he was at it again on Monday when he accused Conservative central office of doing it at the general election—but who, may I ask, is the biggest political parachutist of them all? How did he get his seat? He inherited it. He was special adviser to Lady Castle, and when she moved on to Europe, she bequeathed it to him in her living will.

It is becoming a quaint old custom for Labour Ministers to look after their special advisers. Lady Castle gave the Home Secretary her seat. He cannot do the same for his special adviser, Norman Warner, so he puts him in the House of Lords: new Labour, new hereditary principle.

Mr. Straw: I am enjoying the right hon. Gentleman's speech—which makes a change. Leaving aside the fact that, as it happens, I was selected in Blackburn fair and square without Lady Castle being present, he has just accepted that the party, not the people of Blackburn, chose me. There we have it: an admission that a closed list of one operated. What is his argument?

Sir Norman Fowler: The right hon. Gentleman has not in any way dented my case. My admission is that he was parachuted into Blackburn from outside; I believe that he stood at Tonbridge and Malling in the preceding election.

The Bill is bad by any standards. It is detested both by Conservative Members and, frankly, by many Labour Members. The Government complain about the Lords, but the Lords have challenged only the worst feature of the Bill: the closed-list system. In that, I believe, they are supported by the majority of the public.

Mr. A. J. Beith (Berwick-upon-Tweed): Will the right hon. Gentleman give way?

Sir Norman Fowler: If the right hon. Gentleman will forgive me, I will not.

The Bill goes to the heart of our constitution: it determines how an important election is to be fought. It is wrong in principle and contrary to what the majority of people in this country want. That is why it should be rejected.

8.9 pm

Mr. Richard Allan (Sheffield, Hallam): Far from feeling concern that the Labour party has not accepted all aspects of the Bill with open arms, we are comforted by that fact. We are also comforted by the fact that the Home Secretary has changed his position. A simple dogmatic statement of principle at one point in one's life, followed by resistance to any further change, does not contribute much to the body politic.

We welcome the Bill, as we welcomed it during the previous Session, as an important part of the implementation of an agreement that was reached before the election by my right hon. Friend the Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan) and the Foreign Secretary on a programme of constitutional change. That was a ground-breaking agreement and we have been impressed with the way in which it has worked since to deliver significant benefits for the people of this country, by demonstrating that politicians can work together for the common good rather than simply throw brickbats at each other on every possible occasion.

Fair votes for Europe are vital. The Home Secretary mentioned representation and the fact that we have caused an imbalance throughout Europe. He said that treaties have stated that we should have proportional representation because it is unfair on the European Union if we send an unbalanced delegation to the European Parliament. This Bill offers a chance to reverse the low turn-outs in European elections. Far from decrying the system, we believe that the Opposition parties, in particular the Liberal Democrats and the Conservatives, have an enormous incentive to get people to vote. In many parts of the country, including the Yorkshire and Humberside area, those votes will count as they have never counted before, so the fair vote issue is important and will bring considerable benefits, as well as meeting those treaty obligations.

We want to be more positive. The Conservative approach has been somewhat schizophrenic. The Conservatives say that the system is appalling and that no one will vote, but they also think that they may pick up a seat or two. There seems to be a conflict between the two objectives.

We have enjoyed the contributions to the debate by the Home Secretary, in particular his lessons on history and geography, which have frequently taken us to Belgium. I fully accept the argument of the hon. Member for Battersea (Mr. Linton) that we could have had a clearer explanation, but nothing brings a smile to the face in these lengthy debates as much as the mention of the word, "d'Hondt". I do not know why, but every time that anyone says that word, little grins and chuckles break out throughout the House. We have also enjoyed watching the Conservative party come, somewhat belatedly and not entirely willingly, to the constitutional agenda. They have got involved with some of the issues and debated them seriously, perhaps for the first time, as many Conservatives have studiously avoided such issues during their internal debates and they rarely brought them to the House when they were in government.

For the Liberal Democrats there are two key issues in choosing a voting system. The first is proportionality: there should be a close relationship between the votes cast and the people elected. The second is voter choice, which has characterised many of the debates. The present Bill clearly takes us a huge way forward as regards proportionality. It is vastly superior to the first-past-the-post system that we have had. We regret the fact that the Bill misses the opportunity to take us further forward with voter choice. We have expressed our preference and, whenever I have spoken, I have been

asked our position by hon. Members intervening from both sides of the House. I have been able to say, every time, that our first preference is for a single transferable vote, which would avoid the problems of a single vote in the open system that the Conservatives have chosen. Failing that, we want more open systems.

However, unlike the Conservatives, we can accept that we did not win the last general election and that, having argued our point through the proper democratic procedures in this House and another place, if we then lose the debate or the vote, the Government have a right and a mandate to proceed with their business. It is not our duty to obstruct the Government on an issue on which we have had a fair hearing. We were pleased that the Home Secretary showed he had an open mind about open lists. He gave the argument a hearing, we discussed it and we voted in another place.

Unlike Conservative Members we work with our peers in another place. We are happy to share our decision-making processes, to use similar arguments in both places and to accept the result of the vote in another place. We are also mindful of the fact that we are more likely to win a vote there than here, given the arithmetic that prevails in this House. We were extremely disappointed that when we tabled an amendment on open lists in the other place at the appropriate time, Conservative peers—surprise, surprise—failed to turn out to support it and yet were later converted to the cause.

All the key issues in the Bill were discussed at length in the previous Session. For example, on regional constituencies, we successfully argued the case that a regional team would bring benefits for the structure of the European Union, gaining regional funds and so forth. We discussed the principles of proportional representation and by-elections—all the issues that have been raised again tonight were discussed.

While the Bill is not perfect, we were convinced of our position at the end of that previous process, which is that the system is workable. It is not perfect in every respect and it is not the system that the Liberal Democrats would choose if they were offered a blank sheet of paper, but it is workable and it is a significant improvement on the alternative, which is the present system.

Internal party procedures have been raised in relation to the Bill and selection has been a major issue. Many notable contributions from Labour Back Benchers have concerned that matter and Conservative Members have been happy to draw attention to the fact that unhappiness has been caused by selection in certain cases. There are major issues to be faced as regards the primaries, but they are not sufficient to block the passage of the Bill. One cannot say that a Bill that allows the United Kingdom electorate a fair vote should be blocked simply because one party has more problems with its internal selection processes than the other parties. That is an issue for that party to solve.

Mr. Beith: A number of Conservatives who took part in those vast hustings meetings have told me that they are wondering why the decisions that they took then might now be overturned by a return to the first-past-the-post system and a re-opening of constituency selections within their party, probably on a less democratic basis.

Mr. Allan: An ironic feature of the present situation is that it is fair to say that the candidates and those who have been selected for both the main Opposition parties have been selected by far more people than selected any of us in our single constituency contests. Many thousands of people took part and it was a reasonable test of opinion within those parties.

The Conservatives have trotted out their issue of high principle and, on many occasions, have tried to save us from doing the pragmatic thing. They have suggested that we should continue to stand to one side and bleat in the wilderness about high principle while not achieving any significant goals. We believe that it is better to support a Bill that would achieve some of our objectives than simply to stand by or positively to obstruct something that we want. The Conservatives have been negative throughout. Clearly, they want to fight any fair voting system at every stage of the way. Their position has been explicit. First past the post has favoured them for many years and they see it as their key to success. They want to fight any alternative.

Mrs. Eleanor Laing (Epping Forest): I should have thought that it was obvious from the lack of numbers on the Conservative Benches that the first-past-the-post system has not been fair to our party. The hon. Gentleman mentioned working together on a cross-party basis. Has he had a chance to read the report published today by the Select Committee on Scottish Affairs? That all-party Committee states in paragraph 91 of its report:

> "We feel that an open list would be more in keeping with the principle of trusting the people and giving them the maximum choice."

Mr. Allan: I do not disagree and the hon. Lady has moved me to my fourth point, which is the high principle on which the Conservatives have been working. That report probably reflects what happened with the Scottish and Welsh decisions. Conservative peers went to the limit and died in the ditch because closed lists are of such fundamental democratic importance and the principle cannot be breached, but they allowed the Scottish devolution Bill through, although I do not believe that the Labour party manifesto mentioned closed lists in connection with that measure. They also allowed the Welsh devolution system a passage and closed lists were not mentioned then. As the Home Secretary pointed out, they supported the system for Northern Ireland, for which closed lists were put forward.

Mr. Desmond Swayne (New Forest, West) *rose—*

Mr. Allan: I will give way to the hon. Gentleman in a moment. I am sure that I will enjoy his contribution.

The Conservative spokesman in the other place, Lord MacKay of Ardbrecknish, seemed to recognise and accept in Committee that closed lists were not an insurmountable constitutional principle that they could not cross. He said that the Conservatives accepted that the Bill would be enacted as it was and that the most important thing was to have a review thereafter. However, amendments tabled in a spirit of compromise and co-operation in this House, were rejected because that acceptance seemed to disappear when the Conservatives felt that they could kill the Bill.

Mr. Swayne: Does the hon. Gentleman agree that the debate about closed lists came alive only after the

[Mr. Swayne]

Scotland Bill had gone through? We began, then, to see the Labour party making its selections, and it was that example that brought the issue alive. Has the hon. Gentleman read the report of the Scottish Affairs Committee?

Mr. Allan: I know that the Conservative party can be rather slow on the uptake. The hon. Gentleman seems to suggest that the Conservatives had no knowledge of these issues before, and that the light has slowly dawned as we have gone through months of constitutional reform. If that is how the Conservative party works, I suggest that its members do their homework before Bills start rather than waiting until the very end to understand the issues that they have debated.

The opportunism of the—*[Interruption.]*

Mr. Deputy Speaker: Order. There is far too much noise in the Chamber. I must be able to hear the hon. Gentleman.

Mr. Allan: The opportunism of the Conservative party has been breathtaking. I have heard it described as casuistry. I am not exactly sure of the definition of that word, but in Sheffield, we call it twisted. The Conservatives' twisting seems to have taken them to breaking point, and the stand that was taken—so nobly, so bravely—in the other place appears to have caused a rupture within the parliamentary party in the Lords. I hope that that signals that the Bill will, after tonight, receive an easy and sensible passage, despite irresponsible statements by Conservative Members, including the Leader of the Opposition, that they would seek to obstruct the will of more than 60 per cent. of the British people who voted for parties that supported a proportional system for the European elections. I hope that the Bill will proceed, and I urge the House to give it a fair wind.

8.21 pm

Dr. Nick Palmer (Broxtowe): I apologise to the spokesmen on both Front Benches for the fact that I probably shall not be here to listen to their responses, but I shall read them with great interest. The right hon. Member for Sutton Coldfield (Sir N. Fowler) previously devoted three paragraphs of *Hansard* to requesting a speech from me. I am not accustomed to being in such demand, so I have hastened to oblige him. In the right hon. Gentleman's speech tonight, I heard more Labour speeches quoted than appear in a typical Millbank press release. We are grateful that he takes such interest in what Labour Back Benchers say. Long may it continue.

Unlike many hon. Members who have spoken against the Bill, I have lived and campaigned in countries that have had both open and closed lists. A point not much discussed is the effect that the open-list system can have on candidates. A candidate in an open-list system must not only assist the party, but ensure that he or she, personally, does better than other candidates on the party's own list. In practice, each candidate is forced to fight an expensive personal campaign in the media to persuade people to vote for him or her rather than the other candidates.

That has produced perverse results across the continent in areas in which the open-list system is practised. In effect, the system introduces the free market to democracy. We all favour openness and freedom, and, as new Labour, we all favour the free market, too. However, I do not think that many people favour a system that introduces a bias towards wealthy candidates who are able to attract support from wealthy backers.

Mr. Jonathan Sayeed (Mid-Bedfordshire): Putative Members of the European Parliament have limits on their election expenses, and those will not change. Wealthy backers cannot fund candidates to fight each other in the way suggested by the hon. Gentleman.

Dr. Palmer: I am grateful to the hon. Gentleman for that point. It is possible to impose limits on both individual spending and party spending, and that is envisaged in the Bill. However, that gives a bonus to well known and wealthy candidates who are able to make themselves known before the election. That system naturally appeals to, say, Lord Archer, or to Conservative Members who have the resources and the contacts to make it possible that their individual campaigns can become known even before the election starts.

Mr. Tim Loughton (East Worthing and Shoreham): It is absurd to say that only money buys votes. Does the hon. Gentleman acknowledge the many other ways of becoming well known? One can work hard in one's constituency, deliver leaflets, run campaigns and get into the newspapers. None of that requires vast sums of money.

Dr. Palmer: I agree that those are relevant factors, and few Members of Parliament are unfamiliar with the type of activities that the hon. Gentleman mentions. However, he must agree that money has talked ever louder for political parties in British politics in recent years. With an open-list system, we would extend that so that money would also talk for individual candidates.

It is unsurprising if that idea sounds familiar, as it is a concept that used to apply in British politics. If you were a candidate in the 17th or 18th century, you could hope to succeed only if you were funded or had the ability to make yourself known more widely than poor candidates or people of limited income who had no friends. It may be natural that that system should appeal to hereditary peers.

Mr. Deputy Speaker: Order. The hon. Gentleman should avoid using the word "you", as that brings the Chair into his argument.

Dr. Palmer: I am grateful for that correction.

It is perhaps natural that a hereditary peer would appreciate such a system on the grounds that what was good enough for his ancestor is good enough for him. However, in Britain today, we seek advancement for individuals according to their talents, and through the activities mentioned by the hon. Member for East Worthing and Shoreham (Mr. Loughton). It would be a great shame if we gave an incentive to individual self promotion among candidates.

Political parties initially evolved for two reasons. One was so that people might coalesce around certain ideas and promote them when in Government. The other was that parties enabled individuals to seek and gain office purely through the power of ideas, with the political and

financial support of the party. That has enriched British politics to an extent that would have been unimaginable if individual candidates had been forced—as they would be forced under an open-list system—to promote their own cause against the causes of other candidates from the same party.

We should recognise that some peers have genuinely been led to believe that the open-list system is more democratic. The phrase itself appeals to the fairness of individuals.

Mr. Lansley: Will the hon. Gentleman give way?

Dr. Palmer: I shall carry on for the moment.

Everyone likes the idea of being open, and everyone likes the idea of choice. However, the Conservative party has grossly misled the majority of peers into rejecting the Bill five times, knowing that the open-list system would give an overwhelming advantage to the type of candidates that the Conservatives seek to promote—those who have the finance and connections to promote themselves. I urge the House to support the Bill.

8.30 pm

Mr. Desmond Swayne (New Forest, West): It is liberating, in a sense, to escape the narrow terms of the amendments that detained us over the past few weeks and return to the principles that are contained within the Bill. I am very much against the basic principle of the Bill. I am not sure why we should be presented with such a Bill. As I said when we debated the Bill in the previous Session, at the risk of repetition, the fact is—*[Interruption.]* I understand that the hon. Member for Broxtowe (Dr. Palmer) has disappeared from the Chamber and that that is the occasion of some mirth.

The principle that there should be elections to a European parliament is one with which I do not agree. The European Assembly cannot be a parliament because a parliament represents a people and there are no European people—there is no European people. Therefore, there should not be elections to the European Assembly.

We arranged our affairs much more satisfactorily when we nominated Members of this place to the European Assembly. Having moved on from that situation, and having adopted a system of elections, I cannot understand why we now seek to adopt an even less eligible system of election. Constituencies have been replaced by regions that bear no correlation to any understanding that anyone would have in my constituency, for example, of the region in which he lives. There seems to be no logic that our regions should stretch from the Isle of Wight to Milton Keynes. Equally, why should this region be represented by 11 Members of the European Parliament, treading on one another's toes, interfering with one another's responsibilities and creating nothing but confusion?

We move on to the particular form of election that the Government have brought before us, which is based on the closed list. It is instructive to refer to the Scottish experience. Labour Members are right to draw attention to the fact that we have not suddenly found that our electoral system has been polluted by the closed list. They are right to say that under the Scotland Act 1998 and the Government of Wales Act 1997 elections will take place on a closed list.

It is unfortunate that the debate has been guillotined. Time is a huge factor in bringing reasonableness to bear on these issues. Although Labour Members traipsed through the Lobby on the Scotland Bill, as it then was, in favour of a closed list, we now find what the Select Committee on Scottish Affairs reports on its study into multi-led democracy. Paragraph 91 reads:

> "The regional MSPs are to be elected on a closed list system . . . We feel that an open list would be much more in keeping with the principle of trusting the people and giving them the maximum choice."

The Select Committee then refers to the fact that in Bavaria such a system is used and that up to 30 per cent. of the voters interfere with the party-list precedent and change it.

Nevertheless, the Select Committee, with seven Labour Members, produced such a report. Paragraph 91 was the subject of a Division. Of the seven Labour Members, only two voted against the inclusion of the words to which I have referred, given that they had a preference for a closed list.

As for whether the Bill would have been enacted if there had been a free vote, the arithmetic is clear. We do not need to be experts to discern what would have happened. The Bill would have been thrown out. The passage of the Scotland Bill in Committee is instructive when we consider the voting method that has been chosen in European elections. We must return to our old friend Mr. d'Hondt. It is all very well to be told that the answer to the electoral system is 1.4, because that happens to be the square root of two, but that leads one to wonder what was the question that gave rise to such an answer.

I said to the Minister for Home Affairs and Devolution, Scottish Office that one of the advantages of our existing electoral arrangements is that, by and large, people understand them. They understand that a cross put in a box, when added to other crosses, can give rise to a result that most people accept and understand. When I said to the Minister that no one would understand the system that was being imposed, he said: "The voters do not have to understand the system so long as the returning officer does." What will that do for voter turnout and confidence in our electoral system? That is the essence of the argument against changing to a proportional voting system. I regard it as a monstrous system.

It all very well for Members to say that the House accepted the proposed form of voting when it discussed, as it then was, the Scotland Bill and the Government of Wales Bill. It is true that it takes time for the ramifications and implications for such a voting system to become obvious. It was not until the Scotland Bill and the Government of Wales Bill had passed through the House and the Government were under way with their business of selecting candidates that the weaknesses of the system became apparent. As soon as we saw the cronyism and the way in which long-standing members of the Labour party were shabbily treated, it became clear that the proposed voting system would be a gift to arbitrary power. It is a gift to party managers and party machines, and a gift that we seek to remove. This is our second opportunity to do so and I think that we should take it.

Mr. David Drew (Stroud): Second?

Mr. Swayne: Well, our second opportunity on a Second Reading.

[Mr. Swayne]

The Prime Minister's argument again and again was that the Bill is acceptable because all that it does, in effect, is bring us into line with our European partners, most of whom use the closed-list system. It is entirely appropriate that the Prime Minister should draw attention to the fact that our electoral arrangements differ from those that obtain on the continent. However, that is for an historical reason. Elections took place in this country before political parties were formed. We adopted a system of electing candidates rather than parties. It is only recently in our electoral history that we allowed the candidate's party to be printed on the ballot paper.

On the continent, political parties were well established long before there were elections that enabled them to be elected. Once those elections came along the political parties were in a position effectively to take over the electoral process. Hence the tradition that prevails on the continent, much more than it does here, of electing a political party. Before we fall meekly into line and accept that somehow we are anachronistic, we should remember that our electoral system is our most successful export. It should be understood that 50 per cent. of the voters in the world use the British electoral system, as do 60 per cent. of the world's countries. Our system has served us well and we do not need to take lessons from the continent of Europe. I suspect that we would do much better to retain our existing arrangements by rejecting the Bill.

8.38 pm

Mr. David Drew (Stroud): I spoke on Second Reading and in Committee last time the Bill went round this course, so I am entitled to give myself at least a bronze anorak award. We feel that we have heard every debate and every technicality under the sun, although I am sure that, if my hon. Friend the Member for Battersea (Mr. Linton) speaks, he will come up with new and wonderful technicalities. I shall keep to the matter at hand.

I should say mea culpa because, in Committee, I spoke in favour, in principle, of the open-list system. We had an interesting debate, but no Conservative Member spoke in support of that system. I am pleased that Conservative Members are back on message tonight and returning to their true position of supporting first past the post, although, from time to time, they give the illusion of supporting open lists. I am confused about how they are trying to match proportionality and first past the post.

Our debate considered the implications of open list systems. It is fair to say that both the d'Hondt and Sainte-Lague systems have difficulties, but they are certainly preferable to the open-list system proposed by the Conservatives. It is disingenuous of them to try to persuade us that they are in favour of an open-list system that no one else seems to favour but, until tonight, they have spoken fiercely in its favour. There is opportunism in their support for that system not only in this place but in the House of Lords, where, month after month, they have tried to manipulate arguments on a system in which they do not believe in order to change the position of this House. That is undemocratic, unfair and unacceptable.

I speak whole-heartedly in favour of the opportunity that we have to introduce a proportional system for the European elections. Like the hon. Member for Sheffield, Hallam (Mr. Allan), I think that the key principle is that, for the first time in a national election, we have established that votes will be counted proportionally. As someone who has long believed in electoral reform, I welcome that development, which is more important than the issue of open or closed list systems. That is why I voted for the Government and will do so again. We must pass the Bill now. We have had a long debate that has gone over every possible ground and will come to a conclusion—hopefully, sooner rather than later. We know that we must put the system in place.

I recognise the benefits of a regional list system because we are moving towards regional identities with the setting up of regional development agencies and, as some of us would like, regional chambers. There is no reason why we should not elect European Members on a regional list system. By introducing proportionality, we will ensure fairness and justice, which we all desire.

I am rehearsing arguments that we had a year ago almost to the day. Conservative Members referred to the need for suitable checks and balances in the system. Why not have different electoral systems for different representative bodies? Why should first past the post be all-embracing and omnipotent? Many of us seek alternatives because we have seen the damage that the system can do when there is an arrogant belief—as I called it many months ago—that it is the only system that can elect people. That is evidently not true.

We have heard all the arguments. It is important that we put in place a proportional system. Some hon. Members want there to be an opportunity for a review. We have had something of a hokey-cokey with the Bill. The Conservative party may still want to table an amendment in Committee. I do not necessarily agree with that, but it is a delaying tactic and we need to get on with the Bill. The candidates are important and need to know that the process for which they have been selected will take place, but returning officers, who have already been mentioned, and the electorate will have to come to terms with the system. That is not unimportant. There is a belief that the way to increase turnout is through fair votes and proportionality. That belief has to be tested, but that can be done only if people know under which system it is to be tested, so the sooner we get on with it, the better.

We have had all the arguments and constitutional conflict; we now need to move on. The Conservative party has used the issue to delay and to wreck, but their efforts have cost them dear in many respects. We know what we are moving toward and we can see the merits of a closed-list system, which were set out in the speech of my right hon. Friend the Home Secretary. The sooner we can go out and persuade people of our case, the better.

8.45 pm

Sir Teddy Taylor (Rochford and Southend, East): I am delighted to have the opportunity to speak in the debate, because I have had the pleasure of speaking in all the European debates of the past 25 years and, by and large, warning the House that disaster lay ahead. I find it difficult to do that tonight, because, to be quite honest, I do not understand why on earth the Government are bothering with this legislation.

Implementing the legislation will cost us a lot of money: the Bill reveals that it will cost £4 million to explain to people how the system works. I am the Member of Parliament for Rochford as well as for Southend, East.

I am not making a political point, but every one of the councillors in the lovely old borough of Rochford, which was in the Domesday book, is a Labour councillor. They were told today that their spending increase over the next 12 months has to be 1.1 per cent., which is less than the rate of inflation. That will mean that they will have to cut services. How the blazes am I to explain to them that we are going to pass a silly Bill and spend £4 million on a totally pointless exercise?

We must ask ourselves: does the European Parliament matter at all? If we are to be honest, we must all admit that, if the European Parliament were to close its doors tomorrow, nobody apart from the taxi drivers of Strasbourg would notice. We keep giving the European Parliament pretend powers, trying to create the impression that it has power, but in fact there is no power and no authority in that place, because the whole underlying principle of the European Community is not democratic and there is no way that it can change, even though people continue to believe that it can change. All the power is concentrated in the Court and the Commission and in horse trading in the Council of Ministers, so we can only give the European Parliament pretend powers. If we were being honest, we would ask whether it really matters what system we use to elect Members of the European Parliament, when that Parliament is basically irrelevant.

My second question is for my hon. Friends. Although I appreciate that some of them feel passionately about the issue of closed or open lists, they must ask themselves what the blazes people are meant to do when they go along to vote. If in an area called the eastern region there are 11 candidates for each party, how on earth am I, the average voter, expected to know who those candidates are and what their opinions are?

There is a passionate minority in Britain—a few people, probably 5 per cent. of the population on either side—who are either strongly for or strongly against the European Economic Community, and such people will make it their business to discover candidates' views, so as to have the opportunity to express their opinions. However, the vast majority of people in Britain have gone to sleep on the European issue; they do not want to know anything about it. In addition, the political parties do not want to discuss the issue, because it can cause strong disagreements.

The only real principle at stake is that of answerability. It is important that we should preserve that, but we must ask whether European matters are the area in which we most want to preserve it. How can a Member of the European Parliament be answerable? If he cannot do anything and people do not know who he is, it is difficult to keep up the pretence of democracy here.

I am genuinely curious as to why the Government are bothering. The Government have advanced only two specific arguments, one of which is that other European countries do it. That should make us suspicious, because we can then see the European principle of regional government being imposed on Britain—on England—even though people do not want it. Huge offices are being built in Cambridge, which is in my local region, and large organisations invite me to lunches, dinners and seminars and send me lots of coloured paper, but I am left wondering what it is all about. Unfortunately, what we find is that regional government is being promoted by the EU, even though the people of England do not want it. I wonder whether the whole business of regional assemblies, regional government and regional papers is all to do with something being pushed by the EEC.

The second argument advanced by the Government is that, if we adopt the new system, more Conservatives will be returned to the European Parliament. Is that the principle for which one should support the Bill? I should like to think that we were doing something more significant, not simply expressing a view on that silly matter.

When I came to the House of Commons, the principle of democracy was important to me. When I arrived here many years ago—certainly before many of the hon. Members present were born—I remember that my parents were very proud. They felt that I was joining a worthwhile institution, one that was uplifting and to which Churchill had belonged.

My second son is cleverer than I am, and earns more money than I do because he works for a merchant bank. Last year he was asked, along with everyone else who works at the bank, what his parents did. It upset me when he said, "I did not mind saying that my dad was Teddy Taylor, because people know that you have some unusual views, but I did not like to say that you are a Member of Parliament." That gives us some idea how substantially the standing of this place has gone down.

We should recognise that, over the past 25 years, we have been destroying our democracy. We have taken power away from the people. I hope that hon. Members will think seriously about how we have been abolishing democracy and making people's views almost totally irrelevant. When democracy has been abolished in other parts of the world, the same things always happen: the power goes to individuals who are outwith control, and they always want to help their friends, not necessarily because they are corrupt, but because they are simply not answerable.

It upsets me that the Bill will make Members of the useless European Parliament, which is of no relevance to the people, a tiny 1 per cent. less answerable to the people, even though there is not much for which MEPs can be responsible. I hope that the Government will answer the important question why they are bothering with the Bill. Who has complained about the present system? Who has said that it does not work?

We have had a by-election in Scotland in which only 20 per cent. of the people bothered to vote. They felt that it was irrelevant. The vast majority of the people in Britain think that the European Parliament is irrelevant.

It would be helpful if the Government told us why they are bothering to introduce the Bill. Has there been pressure from the EU to adopt the same kind of electoral system throughout the EU? I have watched all the changes being introduced, step by step, over the past 25 years. Ministers say that changes are taking place not because they are being forced to implement them, but because they want to do so. Later, we find that they have been pressurised to do so.

What has happened to democracy is sad. We are being asked to agree tonight to £4 million being spent wholly unnecessarily to achieve nothing in respect of an assembly that has no power, no real responsibility and no answerability. It is a sad night for Parliament. I hope that the Government will tell us the truth or let us throw out this silly, irrelevant measure.

8.53 pm

Mr. Martin Linton (Battersea): Like my hon. Friend the Member for Stroud (Mr. Drew), I look forward to the enactment of the Bill, which I believe will enfranchise millions of voters in this country who, until now, have never had a chance for their vote to make a difference in an election. There are millions of Labour voters in the south—indeed, in the constituency of the hon. Member for New Forest, West (Mr. Swayne), for one—and millions of Conservative voters in Scotland who at present are excluded by the electoral system from any feeling that their vote matters in elections.

The proposed electoral system will, for the first time in this country—I exclude Scotland and Wales—create a situation where people's votes will count. As well as enfranchising millions of voters, it may well energise our democracy.

In the last European election we had, along with the Netherlands, the lowest turnout of any of the 15 countries in the European Parliament. The hon. Member for Rochford and Southend, East (Sir T. Taylor) may think that that is a good thing, but low turnout is a problem that is peculiarly strong in this country. The voting system has clearly been a major factor in that. The change to a new voting system, together with the right public information campaign—I do not think that spending £4 million on public information before the election will be money wasted—will energise many people to take part in the election, whereas they would not have taken part in previous elections.

Mr. Dominic Grieve (Beaconsfield): When he opened the debate, the Home Secretary was asked about a national list. He had to agree that a national list would be even more inclusive, in that it would allow people who wished to vote for extremist parties to do so. It would enable people to vote for small minorities, in order to secure representation. That, is it not, is the logical conclusion of the hon. Gentleman's argument—if he really believes that this opens up the possibility of representation of a kind that constitutes the key issue in this context.

Mr. Linton: I would have thought that the point of regional representation was self-evident. Its aim is to give MEPs the possibility of being representative on at least some human scale.

The point made by the hon. Gentleman about a national list is quite different. As he knows, the introduction of a national list would reduce the pressure to introduce much smaller parties in the European Parliament. It is no part of my understanding of democracy that greater democracy can be achieved by our allowing parties with support amounting to 1, 2 or 3 per cent. to be represented. That simply confuses the issue. The point of a regional system is that it will create a threshold against small parties.

The hon. Member for New Forest, West grappled with the names of devisers, which he has apparently mastered. The point of the difference between the systems is this: the system proposed by the Bill will create a situation in which—in the south-east, for example—any candidate winning less than 10 per cent. could not be elected. Under the other system, the same arrangement would obtain, but the qualifying percentage would be 5 per cent. That is the crucial difference between the devisers.

I should have thought that, if Labour Members believe in a system that does not involve encouragement of the proliferation of small parties, they should—in this regard, at least—applaud the proposals in the Bill.

I have followed the hon. Gentleman's argument carefully, but the breakthrough point is different in different regions. It is 10 per cent. or 11 per cent. in the south-east, but it is 33 per cent. in Wales. Should we not have equally sized regions? The political system is being skewed by the existence of large and very small regions.

Mr. Linton: That is probably true. I used the south-east as an example, because, with 10 members in a 10-member region, it will normally take 10 per cent. to be elected if the other deviser had been used, it would, effectively, have halved the threshold.

The right hon. Member for Sutton Coldfield (Sir N. Fowler) accused the Home Secretary of employing tedious arguments. I would say that the whole of this debate has become tiresome. In the House of Commons alone, we have discussed it for 36 hours. I hoped that Conservative Members would at least have returned to the new Session—having thought about the system that they supported in the last Parliament—with a workable system. However, we are back with the same unworkable system.

The Home Secretary pointed out that, under this system, a candidate could be elected with 300,000 votes, whereas a candidate from another party winning 500,000 votes might not be elected. That strikes me as enough of a problem with any electoral system, but there is an even worse problem in this system: someone could be elected, appearing as No. 2 on the list, with no votes at all. The system that is being advocated, and was advocated in the last Parliament, means that most voters would naturally take the top name in the box, and all the votes would be counted for all the people in the box—even candidates who received no personal votes and no indication of support from the electorate. Even those people could find themselves elected. No wonder the system is only used in Finland and Luxembourg, and has not recommended itself to any of the other countries of the European Union.

Mr. Randall: Will the hon. Gentleman explain why that system is so apt for Finland? If it is unfair, why are the Finns using it? He is very unfair to them.

Mr. Linton: The onus is on the hon. Gentleman to explain why he advocates the Finnish system. I can only point to the great difficulties of such a system.

My hon. Friend the Member for Broxtowe (Dr. Palmer) talked about the experience of Switzerland, a non-European Union country which also has an open list system with voting not for parties, but only for candidates. That system has created competition between candidates and the anomalous position whereby candidates receiving no votes nevertheless get elected.

I struggled for a long time to understand the mystery of why the Opposition ignored open lists, month after month. They abstained on them in Committee and never mentioned them in debates. Suddenly, towards the end of the process, they became obsessed with open lists.

Mr. Clappison: I am grateful to the hon. Gentleman for giving way, because he has given me the opportunity to put right what he and several of his hon. Friends have said.

As the hon. Gentleman heard my right hon. Friend the Member for North–West Cambridgeshire (Sir B. Mawhinney) say, and as I can confirm from my own experience, we raised the question of open lists in the debate on Second Reading a year ago. We have raised it at every opportunity since, and we have opposed what the Government are doing because we want voters to have a choice. The hon. Gentleman, too, has said in the past that he wants them to have a choice.

Mr. Linton: I have spoken in favour of the Belgian system, which is semi-open, but, as I recall, there has been no Opposition support for that system at any stage. Only in the later stages did they discover the apparent benefits of the Finnish system.

I have found the reason why the Opposition changed their opinion during the debate. It is nothing to do with the arguments made in the Chamber or in the other place, but it is to do with events within their own party. Towards the end of the debate, they had already selected their candidates for the European Parliament so they had obviated one of the obvious difficulties that they would have faced had they had an open list system and a lot of pro-European candidates.

I quote from the *Financial Times*, which states that, rather than having a

"'broad church of views on Europe' . . . candidates were put forward only if they vowed 'not to rock the boat on our single currency policy'".

In other words, far from giving the voters a democratic choice of Conservative candidates—which they appeared to do, and which is the principle on which they support such a system—the Opposition carefully weeded out any candidates who would present the electorate with any choice whatever.

An article in *The Daily Telegraph* carries a statement by two Conservative Members of the European Parliament who had hoped to stand in the Conservative cause in the European elections next year, but were deselected by the Conservative party. They say:

"'It is untrue and unacceptable to claim that the Conservative candidates for next year's election represent 'all opinions on Europe'.

In reality, only two categories of Conservative are represented: those who say they agree with William Hague on a single currency and those who say he has not gone far enough in his opposition to it.

Those who made clear their disagreement with Mr. Hague's opposition to British membership for up to nine years were rejected or, in our specific cases, deselected.'"

Having got rid of any dissenting voices, the Opposition presented to the electorate an apparent choice of candidates, but that choice is of only Euro-sceptic or Europhobic candidates.

Mr. Loughton: I am grateful to the hon. Gentleman for giving way, because he quoted two MEPs who were not reselected. One might expect them to say that, but the vast majority of MEPs were reselected. Is it so strange to him that, if that policy was demanded of candidates, it was demanded by all members of the Conservative party who were entitled to vote? It may surprise him that there was unity of purpose on the European policy of the Conservative party in those selections—decided not by the party leadership, but by every individual member acting as one.

Mr. Linton: Of course, but the result was convenient. Only after the result of their hustings—when they realised that they had a complete Euro-sceptic ticket—were the Opposition prepared to offer the electorate choice among their candidates. *[Interruption.]* If, perchance, the Opposition were successful in pressing their amendments and they were lumbered at the last moment with their Finnish-Luxembourg open system for selecting candidates, it would cause anarchy in the Conservative party. The party would have to reselect candidates at short notice, and that would open up the splits that it has done so much to conceal.

We are discussing the Bill because of the opposition of Conservative hereditary peers in the House of Lords. It is well within our rights to question their right to tell us how to run a democratic election, and to challenge their credentials for pontificating on, of all things, electoral systems. If there is one area that they cannot claim to have expertise in, it is elections.

I shall mention some of the Conservative hereditary peers who voted in the House of Lords to ensure that the Bill fell in the last Session and has had to be re-introduced and discussed again tonight. Why is the Marquess of Ailsa a Member of the House of Lords? Because, in 1831, one of his ancestors married William IV's illegitimate daughter. Why can Viscount Cranborne, the late lamented leader of the Conservatives in the House of Lords, vote on our electoral system? Because one of his ancestors was Elizabeth I's adviser, whom she affectionately referred to as her pygmy—he was surely the original Blackadder. I refer of course to Robert Cecil, the founder of that aristocratic house.

Why is the Earl of Romney a Member of the House of Lords, and why did he have the power to reject this Bill? Because one of his ancestors, Sir Robert Marsham, paid £5,000 for his barony in 1716. Why did Lord Ampthill, a Cross-Bencher, have the right to vote against the Bill and to send it back to the House of Commons? Because he is a descendant of a Victorian diplomat, Lord Odo Russell, who was a member of the family who happened to own Bloomsbury.

Why was Lord Palmer, another Cross-Bencher, able to vote on the Bill, and why was he able to determine our electoral system? His name gives us half the answer. Lord Palmer was one of the great biscuit tycoons of the Victorian era—he was half of Huntley and Palmers. Far more relevant to his ennoblement was the fact that he was a large-scale contributor to the Conservative party.

I come lastly to Lord Sudeley, another Cross-Bencher, who cast his vote against the Bill in the Lords and is one of the causes of our having to discuss it tonight. His family made a fortune in the slave trade in the West Indies. In a recent interview in one of the weekend supplements, he justified his family fortune by saying, "We used to be better orff with slavery." We would be better off getting on with Third Reading.

9.9 pm

Mr. Jonathan Sayeed (Mid-Bedfordshire): I followed the hon. Member for Battersea (Mr. Linton) in a debate a few weeks ago. He was confusing and confused then, and he is no better now. This time he spoke even more claptrap. I shall be extremely brief, because a number of colleagues want to speak.

[Mr. Jonathan Sayeed]

In the past, it was a characteristic of dictatorships that when a messenger came with an unpopular message, the dictator executed the messenger.

Mr. Tony McNulty (Harrow, East): Is that what happened to Lord Cranborne?

Mr. Sayeed: No, Lord Cranborne is still going strong.

With this Government we have an elected dictatorship. For them, the merits of the argument count for nothing. The only thing that matters is the size of their House of Commons majority.

We have a Prime Minister who, either through fear of Parliament or contempt for it, does not bother to vote in this place, rarely bothers to attend and relies on obsequious Back Benchers to push his sometimes cockamamie legislation through. Rather than test on the anvil of parliamentary debate the measures that he wishes to put forward, he prefers to use taxpayers' money to pay for spin doctors, who manipulate a sometimes acquiescent media.

Because the Prime Minister does not like the message that the Lords have been sending him, knows that they may do exactly what they did to a Conservative Government—reject certain Bills that the Government put forward—and does not like the Lords, or even the threat of the Lords disagreeing with him, he has decided to execute the political messenger. As he cannot do it fast enough, he has been denigrating the Lords with ridicule, and the Home Secretary has been his assiduous servant.

What have the peers been saying? They have been saying something very simple: local people have the right to determine who their candidate is. They have not been opposing the Bill. They have kept strictly to the Salisbury convention. They have been supporting the Bill, but asking the Commons to remember that this is a democracy; that is all that they have been doing.

I hope that, when the Bill goes back to the Lords, they will continue to support dem[illegible] and stand firm because what has happened in th[illegible]ce is a denial of democracy—true democracy. Even though the majority in this place dislike the way in which the Labour party operates closed lists, the majority have voted for them. That is a denial of democracy.

If the Government had had the humility to accept that the way in which the Labour party operates closed lists is a disgrace and abhorrent to any democrat, and had operated the list system, even a closed-list system, in the way our party or the Liberal Democrats operate it, with local people deciding who the candidates are and the ranking of the candidates, the Lords would probably have let the Bill through. It is because the Government have not done that that they have brought on themselves their own difficulties.

I would have hoped that the House would oppose the guillotine motion, which was disgraceful. I hope that it will oppose Second Reading, but I do not expect it to do so. I hope that the Lords will stand firm because they will certainly need to do so.

9.13 pm

Mr. Andrew Lansley (South Cambridgeshire): I am pleased to follow my hon. Friend the Member for Mid-Bedfordshire (Mr. Sayeed), who, at earlier stages of our debates, has made similar distinguished contributions and taken a principled stand on the Bill.

What has depressed me in this debate is that, from the Home Secretary and other Labour Members, including the hon. Member for Battersea (Mr. Linton), we have not heard any recognition of some of the new arguments that have been advanced in relation to the Bill. In particular, I was depressed and saddened that the Home Secretary, who in his speech on the guillotine motion suggested that he had answered every question, conspicuously failed to pick up on both questions that have been asked in previous debates and issues that have been brought forward in relation to this Second Reading.

Time is short, so I want to refer just to two points—well, perhaps three, if you will forgive me, Mr. Deputy Speaker. It is important that they be debated. I fear that they not going to have sufficient debate, but I want to raise them, so that the Minister can at least give some sort of reply.

The first concerns an argument that has been made time and again and was propagated by the hon. Member for Battersea. The Home Secretary and others have suggested that open lists are unacceptable because if voters can express a preference between individual candidates, it is statistically possible that a candidate of party A could be elected even though he secures fewer votes than the candidate of party B. The Home Secretary signally failed to accept that that occurs for two reasons.

First, the system gives proportionality to parties. The Home Secretary asserts—and, fundamentally, it has not been denied—that people primarily, but not exclusively, vote for parties. Some people choose to vote for candidates rather than parties, though they are probably in the minority. It is purely because of the insertion of proportionality into the system that someone in party A with fewer votes than the candidate of party B might get elected.

Secondly, under the Government's closed-list system, it is possible—indeed, likely—that candidates will be elected for parties when they would be shown to be much less preferred than the candidates of other parties if voters were able to express a preference. The point is that we will never know. My hon. Friend the Member for Rochford and Southend, East (Sir T. Taylor) talked about his candidate preferences, but we will never know what differences may exist among voters in respect of their preference for particular candidates.

Mr. Linton: Does the hon. Gentleman concede that in his Finnish system, it would be possible for a Conservative candidate who attracted no votes on a ballot paper to be elected?

Mr. Lansley: Of course that is possible, but it would only happen if a party's No. 1 candidate was a particularly well known national figure who is likely to attract the largest number of votes. My noble Friend Lord MacKay of Ardbrecknish instanced some such examples on closed or semi-open lists. By virtue of winning such a proportion, a candidate can bring through a tail of much less well

known candidates who have had a negligible or even, statistically, a nil return. That is a direct product of proportionality.

Even, however, if we accept the principle enunciated by the Home Secretary—that party is the principal reason why people vote—that does not preclude the possibility that significant numbers of people may wish to express a preference—or wish to have the chance to—between candidates from one party. The hon. Member for Battersea would admit that, even in his party, the homogeneity imposed by the panels in Millbank tower has not yet reached the point where supporters of the Labour party are completely incapable of distinguishing between Labour candidates. Even to this day, they are capable in certain circumstances of distinguishing between them.

That would particularly be so where, as in the west midlands, at the top of the list imposed by Labour's selection system sits someone who is self-evidently not familiar with the west midlands and whose fame derives from work in the acting profession. The hon. Member for Broxtowe (Dr. Palmer) apologised for having to leave, so we will forgive him for not being here; but if he were, we could chide him for seeming to argue that a candidate's notoriety would be a reason for a party not to put him at the top of the list. When it came to it, his party went down precisely that route and sought a famous candidate.

That points to one of the besetting sins of closed lists: the examination of candidates down to the second, third, fourth or fifth place on a list is irrelevant. All parties seek to do is to signal party allegiance and, perhaps, in respect of the No. 1 person on a list, seek someone to present it in the best available light. That is an abuse.

Conservative Members have instanced cases in continental systems in which people have been placed first on the list simply to attract the party vote, but who subsequently resign and hand over their office to someone else.

Mr. Linton: Does the hon. Gentleman accept that, in the case of the proposed Labour list in the west midlands, no one will be asked to vote for a well known soap opera star just so that other candidates will be elected on his coat tails? People will be voting for a party, and that candidate will be elected according to his order on the party list. The position would be quite the reverse under the scheme—the Finnish system—that the hon. Gentleman is proposing, as the person in the first position on the Conservative list—be it Lulu, Lord Archer or someone else—would carry on their coat tails people for whom no voter had expressed any preference, simply because he or she was sufficiently famous and attractive in their own right to win votes in sufficient numbers.

Mr. Lansley: The hon. Gentleman is right about that. However, he is highlighting a distinction between closed and open lists that supports Opposition Members', not Ministers', argument. The hon. Gentleman has made it clear in previous speeches that he is in favour of open lists—at least the Belgian list system, which would offer some of the benefits of using the attraction of specific candidates, whether they occupy the first, second or third position. That leads to the question of why the Government are proposing to use a closed-list system in which the only preference that voters can express is between parties, whereas they are including on ballot papers parties' candidate lists. What is the point of doing that?

The point is that, in the west midlands, for example, the Labour party believes—erroneously—that it will be able to use the name of a well known soap opera actor, thereby augmenting its vote.

Mr. John Hayes (South Holland and The Deepings): Before my hon. Friend moves on, there is a point that requires amplification. Is not the practical effect of the closed-list system the outcome that parties would tend to transport into the European Parliament—or any other body, if the system were to be extended—people of whom they hold a high opinion, and who would not want the inconvenience of having to serve an electorate in any meaningful or real way?

Is not the truth that that would be a step back to the time before the passage of the 19th century reform Acts, when places in Parliament were in the gift of notables, whose favourites were elevated to Parliament without having to do any of the hard graft? Is that not the real issue? The issue is not, as the hon. Member for Battersea (Mr. Linton) suggested, about an opportunity for famous people to drag others with them. It is about an opportunity for famous people—in the sense that they are famous in their own party—to be given the opportunity without the hard graft of properly standing for election and making themselves accountable to the electorate.

Mr. Lansley: My hon. Friend is absolutely right. Liberal Democrats have been trying to argue that we should distance the way in which the Labour party has selected its candidates from our debates on a closed list, as if they were separate and unrelated issues. However, the way the Labour party has selected its candidates is the precise issue. A closed list has enabled the Labour party to select candidates as it has, in what it believed to be the secure expectation of contesting the European parliamentary elections with candidates in the order decided by the party apparatus, rather than requiring it to insert Labour party members' preferences into the system.

On ballot papers, although there will be an opportunity for voters to express a party preference, the Bill will not allow voters to express a preference between a party's candidates. Moreover, voters would not be able, if they were so minded, to express a preference on an issue, thereby elevating it above party. The bishops in another place, for example, were rightly very exercised by the desire of some voters to use the vote that they cast by reference to issues of conscience. Some voters put issues of conscience above party when electing representatives. Under the Bill, that will not be possible.

Since our most recent debate on the Bill, the Home Secretary—whom I am pleased to see return to his place—has asserted, on 26 November, that it was compatible with the European convention on human rights, which we have also debated. This is the first time the House has debated a Bill on Second Reading in the light of the requirement that Ministers should say whether it is compatible with the convention.

Article 3 of the first protocol of the convention says:

"The High Contracting Parties undertake to hold free elections at reasonable intervals by secret ballot, under conditions which will ensure the free expression of the opinion of the people in the choice of the legislature."

[Mr. Lansley]

The Home Secretary made his statement on the compatibility of the Bill with the convention not by answering a question in the House or in the Votes and Proceedings of the House; presumably he simply signed a piece of paper in the Home Office to that effect.

The Home Secretary has not explained why the Bill is compatible, even though I raised the issue during the debate on the guillotine motion. The aim of the convention is for voters to be able to express their opinion freely. That opinion is not expressed exclusively between parties. The bishops in another place made it clear—as have we, time after time—that the expression of opinion by voters between—

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): On a point of order, Mr. Deputy Speaker. The hon. Gentleman and several of his colleagues have raised issues during the debate and addressed questions to my right hon. Friend the Secretary of State or to me. It appears that they do not intend to allow us time to respond. Is it in order for him to carry on in such a way that we shall not have an opportunity to respond?

Mr. Clappison: Further to that point of order, Mr. Deputy Speaker. In the light of the Minister's request for further time, given that the Government have underestimated the time required for the debate, is there any way in which the Government can be assisted to reverse their guillotine motion and give us time to debate the Bill properly?

Mr. Deputy Speaker (Mr. Michael Lord): Order. Although the debate is time limited, the length of time that a Member speaks is not. The hon. Member for South Cambridgeshire (Mr. Lansley) has the Floor.

Mr. Lansley: I might have been able to make more progress if the Minister had not interrupted me on a point of order. Labour Members, including the Home Secretary, have said that there is nothing new to be said about the Bill, but lo and behold there is something new and they do not want to hear it. The Home Secretary knew that compatibility with the European convention was an issue, but he failed to address it, just as he failed to say whether he believed—regardless of whether it is in the legislation—that there should be a review of closed lists. It will fall to be debated in another place, as has happened too many times on the Bill, where Ministers will have to answer questions that have been raised here and should have been debated here—but for the fact that the Government have prevented us from doing so.

Mr. Loughton: Many new points have been raised during the debate. Is my hon. Friend aware that only last week 17 angry churchmen, including archbishops, bishops and the chairman of the conference of Methodist Churches, expressed their great anger to the Prime Minister that conscience was being squeezed out by the Bill? No one will be able to vote for a candidate on a matter of conscience.

Mr. Lansley: My hon. Friend illustrates the point with force. The European convention gives voters the right to choose the members of their legislature. As the bishops rightly say, some voters may want to express their free choice on a matter of conscience. Moreover, some people distinguish between candidates of the same party on ideological grounds, but that will not be possible under the closed list system.

Mr. Beith: Is the hon. Gentleman saying that the first-past-the-post system, which he favours and to which we would return if the Bill fails, is open to challenge in the European Court of Human Rights on the grounds that it does not allow the voters a choice between candidates of the same party?

Mr. Lansley: I am not saying that, as the right hon. Gentleman and the Home Secretary know. Saying that first past the post is a closed list of one is a red herring, as that system is devised to secure a different objective—a relationship between an elected representative and a defined geographical area. As the Home Secretary made clear, regional electoral areas are being created only for proportionality. Regions could offer voters the opportunity to choose between candidates, but the Bill will deny them that opportunity.

What will happen if, before the European elections, people go to a court to seek a declaration of incompatibility between the European convention and the legislation on the grounds that their right to choose a particular candidate as a matter of conscience will be frustrated? The Home Secretary has chosen not to recognise the consequences of the Human Rights Act 1998, but he should tell us—not through the medium of his Minister of State in another place—whether he intends to make secondary legislation using the Henry VIII powers in the Human Rights Act to change the voting system at the last minute if it is found that there is incompatibility.

I am surprised that no Labour Member has been sufficiently acute to have asked whether any of the five European countries that use closed lists have discovered that the system is incompatible with the European convention on human rights. In fact, no country has done that yet, but only because the matter has not been brought to court. As a consequence of the timetable, we are debating an issue—

It being four hours after the commencement of proceedings on the Bill, MR. DEPUTY SPEAKER *put the Question already proposed from the Chair, pursuant to the Order [this day].*

Question put, That the Bill be now read a Second time:—

The House divided: Ayes 315, Noes 123.

Division No. 6] **[9.33 pm**

AYES

Ainger, Nick	Banks, Tony
Alexander, Douglas	Barron, Kevin
Allan, Richard	Battle, John
Allen, Graham	Bayley, Hugh
Anderson, Donald *(Swansea E)*	Beard, Nigel
Armstrong, Ms Hilary	Begg, Miss Anne
Ashton, Joe	Beith, Rt Hon A J
Atkins, Charlotte	Bell, Stuart *(Middlesbrough)*
Austin, John	Berry, Roger
Baker, Norman	Best, Harold
Ballard, Jackie	Blackman, Liz

Blizzard, Bob
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Burstow, Paul
Cabom, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Corbett, Robin
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Crausby, David
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Dafis, Cynog
Dalyell, Tam
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Denham, John
Dewar, Rt Hon Donald
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Ewing, Mrs Margaret
Fatchett, Derek
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Graham, Thomas
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harris, Dr Evan
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Iauan Wyn *(Ynys Môn)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Kemp, Fraser
Kennedy, Charles *(Ross Skye)*
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Linton, Martin
Livsey, Richard
Llwyd, Elfyn
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McNulty, Tony
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Michael, Alun
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Norris, Dan
Oaten, Mark
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Rendel, David
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Rt Hon Clare
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Sir Robert *(W Ab'dns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Squire, Ms Rachel
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stunell, Andrew
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Temple–Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Todd, Mark
Tonge, Dr Jenny
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
White, Brian
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Winterton, Ms Rosie *(Doncaster C)*
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Clive Betts and
Mr. Robert Ainsworth.

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Baldry, Tony
Begg, Roy
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Brady, Graham
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fallon, Michael
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Goodlad, Rt Hon Sir Alastair
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Heseltine, Rt Hon Michael
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. Nigel Waterson and Mr. Stephen Day.

Question accordingly agreed to.

Bill read a Second time, and committed to a Committee of the whole House, pursuant to the Order [this day].

Further proceedings on the Bill stood postponed, pursuant to the Order [this day].

EUROPEAN PARLIAMENTARY ELECTIONS BILL [MONEY]

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to the Order [this day].

That, for the purposes of any Act resulting from the European Parliamentary Elections Bill, it is expedient to authorise the charging on and payment out of the Consolidated Fund of—

(1) charges to which returning officers are entitled by virtue of that Act, and

(2) sums required by the Secretary of State for expenditure on the provision of training relating to functions conferred on returning officers by virtue of that Act.—*[Mr. Hill.]*

The House divided: Ayes 314, Noes 118.

Division No. 7] **[9.46 pm**

AYES

Ainger, Nick
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Baker, Norman
Ballard, Jackie
Banks, Tony
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Berry, Roger
Best, Harold
Blackman, Liz
Blizzard, Bob
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Burstow, Paul
Cabom, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Corbett, Robin
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Dafis, Cynog
Dalyell, Tam
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Denham, John
Dewar, Rt Hon Donald
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Ewing, Mrs Margaret
Fatchett, Derek
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil

Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harris, Dr Evan
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Ilsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Linton, Martin
Livsey, Richard
Llwyd, Elfyn
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McNulty, Tony
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Michael, Alun
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Norris, Dan
Oaten, Mark
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Rendel, David
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Rt Hon Clare
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Squire, Ms Rachel
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Todd, Mark
Tonge, Dr Jenny
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
White, Brian
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Winterton, Ms Rosie *(Doncaster C)*
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Robert Ainsworth and Mr. Clive Betts.

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Boswell, Tim
Brady, Graham
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Heseltine, Rt Hon Michael
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David

St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Whitney, Sir Raymond
Whitingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. Nigel Waterson and Mr. Stephen Day.

Question accordingly agreed to.

Bill immediately considered in Committee.

[MR. MICHAEL LORD *in the Chair*]

Clause 1

NUMBER OF MEPS, ELECTORAL REGIONS AND ELECTORAL SYSTEM

Motion made, and Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 312, Noes 119.

Division No. 8] **[9.57 pm**

AYES

Ainger, Nick
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Baker, Norman
Ballard, Jackie
Banks, Tony
Barron, Kevin
Bayley, Hugh
Beard, Nigel
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Berry, Roger
Best, Harold
Blackman, Liz
Blizzard, Bob
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Burstow, Paul
Cabom, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Corbett, Robin
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Dafis, Cynog
Dalyell, Tam
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Denham, John
Dewar, Rt Hon Donald
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Ewing, Mrs Margaret
Fatchett, Derek
Fearn, Ronnie
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harris, Dr Evan
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
Killoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Linton, Martin
Livsey, Richard
Llwyd, Elfyn
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McNulty, Tony
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Michael, Alun
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Norris, Dan
Oaten, Mark
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian

Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Rammell, Bill
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Rendel, David
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salmond, Alex
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheldon, Rt Hon Robert
Short, Rt Hon Clare
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Squire, Ms Rachel
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Stunell, Andrew
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Todd, Mark
Tonge, Dr Jenny
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
White, Brian
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Winterton, Ms Rosie *(Doncaster C)*
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Clive Betts and
Mr. Robert Ainsworth.

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Brady, Graham
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan Smith, Iain
Evans, Nigel
Faber, David
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Heseltine, Rt Hon Michael
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, Sir Teddy
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. John M. Taylor and
Mr. Tim Collins.

Question accordingly agreed to.

Clause 1 ordered to stand part of the Bill.

Clause 2

ELECTORAL REGIONS IN ENGLAND

Motion made, and Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 311, Noes 114.

Division No. 9] **[10.10 pm**

AYES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Baker, Norman
Ballard, Jackie
Banks, Tony
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blizzard, Bob
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Burstow, Paul
Cabom, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Church, Ms Judith

Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Corbett, Robin
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Davis, Cynog
Dalyell, Tam
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Denham, John
Dewar, Rt Hon Donald
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Ewing, Mrs Margaret
Fatchett, Derek
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Harris, Dr Evan
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Jon Owen *(Cardiff C)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Linton, Martin
Livsey, Richard
Llwyd, Elfyn
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McNulty, Tony
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Malleber, Judy
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Michael, Alun
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Norris, Dan
Oaten, Mark
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Rendel, David
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salmond, Alex
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheldon, Rt Hon Robert
Short, Rt Hon Clare
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Squire, Ms Rachel
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Stunell, Andrew
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Winterton, Ms Rosie *(Doncaster C)*
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. David Jamieson and
Mr. David Hanson.

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Arbuthnot, Rt Hon James
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Brady, Graham
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fowler, Rt Hon Sir Norman
Fox, Dr Liam

Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Lewis, Dr Julian *(New Forest E)*
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Robertson, Laurence *(Tewk'bry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shepherd, Richard
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, Sir Teddy
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Waller, Robert
Wardle, Charles
Waterson, Nigel
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. John M. Taylor and
Mr. Tim Collins.

Question accordingly agreed to.

Clause 2 ordered to stand part of the Bill.

Clause 3

AMENDMENTS AND REPEALS

Motion made and Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 289, Noes 116.

Division No. 10] **[10.21 pm**

AYES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Ashton, Joe
Atkins, Charlotte
Austin, John
Baker, Norman
Ballard, Jackie
Banks, Tony
Barron, Kevin
Bayley, Hugh
Beard, Nigel
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blizzard, Bob
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Burstow, Paul
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Corbett, Robin
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Dafis, Cynog
Dalyell, Tam
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dewar, Rt Hon Donald
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Ewing, Mrs Margaret
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Harris, Dr Evan
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Howarth, George *(Knowsley N)*
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Jon Owen *(Cardiff C)*
Jones, Martyn *(Clwyd S)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Linton, Martin
Livsey, Richard
Llwyd, Elfyn
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McNulty, Tony
McWalter, Tony
McWilliam, John

Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Norris, Dan
Oaten, Mark
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Rendel, David
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salmond, Alex
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Squire, Ms Rachel
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Stunell, Andrew
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Temple–Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Winterton, Ms Rosie *(Doncaster C)*
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. David Jamieson and Mr. David Hanson.

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Arbuthnot, Rt Hon James
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Brady, Graham
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton–Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fowler, Rt Hon Sir Norman
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat–Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Soames, Nicholas
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mrs. Caroline Spelman and Sir David Madel.

Question accordingly agreed to.

Clause 3 ordered to stand part of the Bill.

Clause 4

EXPENSES

Motion made and Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 285, Noes 115.

Division No. 11] **[10.31 pm**

AYES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Ashton, Joe
Atkins, Charlotte
Austin, John
Baker, Norman
Ballard, Jackie
Banks, Tony
Barron, Kevin
Bayley, Hugh
Beard, Nigel
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Berry, Roger
Best, Harold
Betts, Clive
Blizzard, Bob
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Burstow, Paul
Campbell, Alan *(Tynemouth)*

Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Corbett, Robin
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis–Thomas, Mrs Claire
Dafis, Cynog
Dalyell, Tam
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dewar, Rt Hon Donald
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Ewing, Mrs Margaret
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Harris, Dr Evan
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Howarth, George *(Knowsley N)*
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Jon Owen *(Cardiff C)*
Jones, Martyn *(Clwyd S)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Linton, Martin
Livsey, Richard
Llwyd, Elfyn
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McNulty, Tony
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Norris, Dan
Oaten, Mark
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Rendel, David
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salmond, Alex
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Short, Rt Hon Clare
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Squire, Ms Rachel
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Stunell, Andrew
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Temple–Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Winterton, Ms Rosie *(Doncaster C)*
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. David Jamieson and
Mr. David Hanson.

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Arbuthnot, Rt Hon James
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Brady, Graham
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton–Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fowler, Rt Hon Sir Norman
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic

Gummer, Rt Hon John
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shepherd, Richard
Soames, Nicholas
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Waller, Robert
Wardle, Charles
Waterson, Nigel
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mrs. Caroline Spelman and Sir David Madel.

Question accordingly agreed to.

Clause 4 ordered to stand part of the Bill.

Clause 5

COMMENCEMENT

Motion made, and Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 275, Noes 116.

Division No. 12] **[10.42 pm**

AYES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Ashton, Joe
Atkins, Charlotte
Austin, John
Baker, Norman
Ballard, Jackie
Banks, Tony
Barron, Kevin
Bayley, Hugh
Beard, Nigel
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Berry, Roger
Best, Harold
Betts, Clive
Blizzard, Bob
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Burstow, Paul
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Caplin, Ivor
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Dafis, Cynog
Dalyell, Tam
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Ewing, Mrs Margaret
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Gunnell, John
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harris, Dr Evan
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hinchliffe, David
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Howarth, George *(Knowsley N)*
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Ilsley, Eric
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Martyn *(Clwyd S)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Linton, Martin
Livsey, Richard
Llwyd, Elfyn
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McNulty, Tony
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Maxton, John
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Mullin, Chris
Murphy, Denis *(Wansbeck)*

Norris, Dan
Oaten, Mark
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Reed, Andrew *(Loughborough)*
Rendel, David
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salmond, Alex
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Short, Rt Hon Clare
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Squire, Ms Rachel
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Stunell, Andrew
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Winterton, Ms Rosie *(Doncaster C)*
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Mike Hall and
Mr. Keith Hill.

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Arbuthnot, Rt Hon James
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Brady, Graham
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fowler, Rt Hon Sir Norman
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hammond, Philip
Hawkins, Nick
Hayes, John
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shepherd, Richard
Soames, Nicholas
Spelman, Mrs Caroline
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Thompson, William
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. Oliver Heald and
Mr. James Cran.

Question accordingly agreed to.

Clause 5 ordered to stand part of the Bill.

Clause 6 ordered to stand part of the Bill.

Schedule 1

NEW SCHEDULE 2 TO THE EUROPEAN PARLIAMENTARY ELECTIONS ACT 1978

Motion made, and Question put, That this schedule be the First schedule to the Bill:—

The Committee divided: Ayes 272, Noes 120.

Division No. 13] **[10.53 pm**

AYES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Ashton, Joe
Atkins, Charlotte
Austin, John
Baker, Norman
Ballard, Jackie
Banks, Tony
Barron, Kevin
Bayley, Hugh
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Berry, Roger
Best, Harold
Betts, Clive
Blizzard, Bob
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Burstow, Paul
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Caplin, Ivor
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coffey, Ms Ann

Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Dafis, Cynog
Dalyell, Tam
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Ewing, Mrs Margaret
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Gunnell, John
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harris, Dr Evan
Harvey, Nick
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hinchliffe, David
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Howarth, George *(Knowsley N)*
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Iddon, Dr Brian
Ilsley, Eric
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Martyn *(Clwyd S)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Linton, Martin
Livsey, Richard
Llwyd, Elfyn
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McNulty, Tony
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Maxton, John
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Norris, Dan
Oaten, Mark
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Reed, Andrew *(Loughborough)*
Rendel, David
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salmond, Alex
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Squire, Ms Rachel
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Stunell, Andrew
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Tyler, Paul
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Winterton, Ms Rosie *(Doncaster C)*
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Mike Hall and
Mr. Keith Hill.

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Flight, Howard
Fowler, Rt Hon Sir Norman
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hammond, Philip
Hawkins, Nick
Hayes, John
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
MacKay, Rt Hon Andrew
Maclean, Rt Hon David

McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
St Aubyn, Nick
Sayeed, Jonathan
Shepherd, Richard
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Thompson, William
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. Oliver Heald and
Mr. James Cran.

Question accordingly agreed to.

Schedule 1 agreed to.

Schedule 2

MINOR AND CONSEQUENTIAL AMENDMENTS OF SCHEDULE 1 TO THE EUROPEAN PARLIAMENTARY ELECTIONS ACT 1978

Motion made, and Question put, That this schedule be the Second schedule to the Bill:—

The Committee divided: Ayes 266, Noes 117.

Division No. 14] **[11.5 pm**

AYES

Ainger, Nick
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Ashton, Joe
Atkins, Charlotte
Austin, John
Baker, Norman
Ballard, Jackie
Banks, Tony
Barron, Kevin
Bayley, Hugh
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Berry, Roger
Best, Harold
Betts, Clive
Blizzard, Bob
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Caplin, Ivor
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Dafis, Cynog
Dalyell, Tam
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Ewing, Mrs Margaret
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael J *(Worcester)*
Galloway, George
Gapes, Mike
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harris, Dr Evan
Harvey, Nick
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Howarth, George *(Knowsley N)*
Hughes, Ms Beverley *(Stretford)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Iddon, Dr Brian
Ilsley, Eric
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Martyn *(Clwyd S)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Linton, Martin
Livsey, Richard
Llwyd, Elfyn
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McNulty, Tony
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Maxton, John
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Norris, Dan
Oaten, Mark
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Reed, Andrew *(Loughborough)*
Rendel, David
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank

Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Squire, Ms Rachel
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Sloate, Dr Howard
Strang, Rt Hon Dr Gavin
Stunell, Andrew
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Tyler, Paul
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Winterton, Ms Rosie *(Doncaster C)*
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Robert Ainsworth and
Mr. Kevin Hughes.

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cran, James
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Flight, Howard
Fowler, Rt Hon Sir Norman
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shepherd, Richard
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Thompson, William
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Waller, Robert
Wardle, Charles
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. Nigel Waterson and
Mr. Stephen Day.

Question accordingly agreed to.

Schedule 2 agreed to.

Schedule 3

MINOR AND CONSEQUENTIAL AMENDMENTS

Motion made, and Question put, That this schedule be the Third schedule to the Bill:—

The Committee divided: Ayes 262, Noes 116.

Division No. 15] **[11.15 pm**

AYES

Ainger, Nick
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Ashton, Joe
Atkins, Charlotte
Austin, John
Baker, Norman
Ballard, Jackie
Banks, Tony
Barron, Kevin
Bayley, Hugh
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Berry, Roger
Best, Harold
Betts, Clive
Blizzard, Bob
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brand, Dr Peter
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Caplin, Ivor
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Dafis, Cynog
Dalyell, Tam
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Ewing, Mrs Margaret
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek

Foster, Don *(Bath)*
Foster, Michael J *(Worcester)*
Galloway, George
Gapes, Mike
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Gedsiff, Roger
Goggins, Paul
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harris, Dr Evan
Harvey, Nick
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Howarth, George *(Knowsley N)*
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Iddon, Dr Brian
Ilsley, Eric
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Martyn *(Clwyd S)*
Jones, Nigel *(Cheltenham)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Linton, Martin
Livsey, Richard
Llwyd, Elfyn
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
McIsaac, Shona
McKenna, Mrs Rosemary
McNulty, Tony
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Maxton, John
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Norris, Dan
Oaten, Mark
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Reed, Andrew *(Loughborough)*
Rendel, David
Rooney, Terry
Roy, Frank
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Salmond, Alex
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Squire, Ms Rachel
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Stunell, Andrew
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Tyler, Paul
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Winterton, Ms Rosie *(Doncaster C)*
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Greg Pope and
Mr. Robert Ainsworth.

NOES

Ainsworth, Peter *(E Surrey)*
Arness, David
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cran, James
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Flight, Howard
Fowler, Rt Hon Sir Norman
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gorman, Mrs Teresa
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jenkin, Bernard
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shepherd, Richard
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Thompson, William
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter

Waller, Robert
Wardle, Charles
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. Nigel Waterson and
Mr. Stephen Day.

Question accordingly agreed to.

Schedule 3 agreed to.

Schedule 4

REPEALS AND REVOCATIONS

Motion made, and Question put, That this schedule be the Fourth schedule to the Bill.

The Committee divided: Ayes 257, Noes 121.

Division No. 16] **[11.27 pm**

AYES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Ashton, Joe
Atkins, Charlotte
Austin, John
Baker, Norman
Ballard, Jackie
Banks, Tony
Barron, Kevin
Bayley, Hugh
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Berry, Roger
Best, Harold
Blizzard, Bob
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brand, Dr Peter
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Caplin, Ivor
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Dafis, Cynog
Dalyell, Tam
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Ewing, Mrs Margaret
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael J *(Worcester)*
Galloway, George
Gapes, Mike
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harris, Dr Evan
Harvey, Nick
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hinchliffe, David
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Howarth, George *(Knowsley N)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Iddon, Dr Brian
Ilsley, Eric
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Martyn *(Clwyd S)*
Jones, Nigel *(Cheltenham)*
Kaufman, Rt Hon Gerald
Keen, Alan *(Feltham & Heston)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Linton, Martin
Livsey, Richard
Llwyd, Elfyn
McAvoy, Thomas
McCabe, Steve
McDonagh, Siobhain
McIsaac, Shona
McKenna, Mrs Rosemary
McNulty, Tony
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Maxton, John
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Norris, Dan
Oaten, Mark
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Reed, Andrew *(Loughborough)*
Rendel, David
Rooney, Terry
Roy, Frank
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Salmond, Alex
Savidge, Malcolm
Sawford, Phil
Shaw, Jonathan
Sheerman, Barry
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Squire, Ms Rachel
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Stunell, Andrew
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Tyler, Paul
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Alan W *(E Carmarthen)*
Willis, Phil

Winterton, Ms Rosie *(Doncaster C)*
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Clive Betts and
Mr. Keith Hill.

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington and Chelsea)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cran, James
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Flight, Howard
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hague, Rt Hon William
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jenkin, Bernard
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
Sayeed, Jonathan
Shepherd, Richard
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Thompson, William
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Sir David Madel and
Mrs. Caroline Spelman.

Question accordingly agreed to.
Schedule 4 agreed to.
Bill reported, without amendment.

Order for Third Reading read.

Motion made, and Question put forthwith, pursuant to the Order [this day], That the Bill be now read the Third time.—*[Mr. Jamieson.]*

The House divided: Ayes 254, Noes 122.

Division No. 17] **[11.39 pm**

AYES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Atkins, Charlotte
Austin, John
Baker, Norman
Ballard, Jackie
Banks, Tony
Barron, Kevin
Bayley, Hugh
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Berry, Roger
Best, Harold
Betts, Clive
Blizzard, Bob
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brand, Dr Peter
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Caplin, Ivor
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Tony *(Northampton S)*
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Crausby, David
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Dafis, Cynog
Dalyell, Tam
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Edwards, Huw
Efford, Clive
Ennis, Jeff
Ewing, Mrs Margaret
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael J *(Worcester)*
Galloway, George
Gapes, Mike
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harris, Dr Evan
Harvey, Nick
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Howarth, George *(Knowsley N)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Iddon, Dr Brian
Illsley, Eric
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*

Jones, Martyn *(Clwyd S)*
Jones, Nigel *(Cheltenham)*
Kaufman, Rt Hon Gerald
Keen, Alan *(Feltham & Heston)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Linton, Martin
Livsey, Richard
Llwyd, Elfyn
McAvoy, Thomas
McCabe, Steve
McDonagh, Siobhain
McIsaac, Shona
McKenna, Mrs Rosemary
McNulty, Tony
McWalter, Tony
McWilliam, John
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Maxton, John
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moore, Michael
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Norris, Dan
Oaten, Mark
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Reed, Andrew *(Loughborough)*
Rendel, David
Rooney, Terry
Roy, Frank
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Salmond, Alex
Savidge, Malcolm
Sawford, Phil
Shaw, Jonathan
Sheerman, Barry
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Squire, Ms Rachel
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Stunell, Andrew
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Tyler, Paul
Wallace, James
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Winterton, Ms Rosie *(Doncaster C)*
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Mike Hall and
Mr. David Clelland.

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cran, James
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Flight, Howard
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hague, Rt Hon William
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jenkin, Bernard
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
Sayeed, Jonathan
Shepherd, Richard
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Thompson, William
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mrs. Caroline Spelman and
Sir David Madel.

Question accordingly agreed to.

Bill read the Third time, and passed.

NORTHERN IRELAND GRAND COMMITTEE

Motion made, and Question put forthwith, pursuant to Standing Order No. 116 (Northern Ireland Grand Committee (Sittings)),

That the Northern Ireland Grand Committee shall meet at Westminster on Thursday 10th December, Thursday 28th January, Thursday 25th February, Thursday 25th March, Thursday 10th June and Thursday 8th July at 10.30 a.m.—*[Mr. Jamieson.]*

Question agreed to.

Harefield Hospital

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Jamieson.]*

11.50 pm

Mr. John Wilkinson (Ruislip-Northwood): It is only nine months since I secured an Adjournment debate on 6 March on the future of Mount Vernon hospital, Northwood. Many of the fears that I expressed then have been realised, notwithstanding a petition of some 80,000 signatures in support of the hospital being built up and not run down, and the public's particularly strong backing for the preservation of its regional burns, plastic and oral maxilla-facial surgery unit.

Now, the future of Harefield hospital nearby is in question and I crave the House's ear again, even though I have no illusions about how difficult it is to influence the direction of the national health service in favour of those who finance it: the taxpayers.

On Wednesday 18 November, the hon. Member for Hemel Hempstead (Mr. McWalter) secured a debate about West Hertfordshire health authority, which, among other health authorities, funds the treatment of patients both at Mount Vernon and at the regional and national cardiothoracic specialist hospital at Harefield. He complained that, despite the language of the West Hertfordshire health authority, which talks about a new super-hospital, the proposal represented a substantial cut in the facilities available to the people of west Hertfordshire. The hon. Member for Watford (Ms Ward), whose constituents attend Harefield hospital with chest and heart illnesses, echoed those complaints.

There was a shared and relevant anxiety in the debate, which was also expressed by my hon. Friend the Member for South-West Hertfordshire (Mr. Page), whose electors, too, are treated at Harefield and whose community health council has formally objected to West Hertfordshire health authority proposals. The Government will not grant money to maintain the status quo, which is crucial to build up existing centres of national excellence such as Harefield and Mount Vernon, but they have a predilection in favour of the construction of new hospitals funded through the private finance initiative.

When the Minister of State, Department of Health, the right hon. Member for Darlington (Mr. Milburn), responded to that debate—I am glad to see that he is present again—he admitted that the Government's modernisation programme was "extremely ambitious". I would not, however, contradict the conclusion that was drawn by the hon. Member for Hemel Hempstead about the proposals of the West Hertfordshire health authority. He said:

"implicit in its plans must be a substantial reduction in the asset base, which means that an awful lot of hospital closures that have not been accounted for must be in the pipeline."

The Minister of State boasted that

"work has started on the construction of eight hospitals under PFI"

and boasted about

"the biggest new hospital building programme in the history of the NHS—31 new hospitals worth almost £2.4 billion, 25 of which will be built through PFI, with a total value of almost £2.2 billion."—[*Official Report*, 18 November 1998; Vol. 319, c. 917-18.]

Where does that leave existing specialist centres of national and, in the case of Harefield, international excellence, which need, by comparison, very modest additional capital funding to modernise their facilities? If the dire precedent of Mount Vernon is anything to go by, they are left in a very vulnerable position. At Mount Vernon, between a mere £5 million and £7 million are required to modernise a superb burns, plastic and oral maxilla-facial surgery unit. However, West Hertfordshire health authority would like it to be moved into its new £150 million green-field site, private finance initiative hospital. Hillingdon health authority would like it to go to the new, costly inner-city Westminster and Chelsea hospital.

Harefield is known globally as the hospital that has done more heart and lung transplants than any other: well over 2,000 since 1980. Professor Sir Magdi Yacoub's internationally famous team has done an immeasurable service to the reputation of British medicine worldwide. It will be remembered that Diana, Princess of Wales attended, masked and medically gowned, an operation there.

Harefield hospital also has an extensive programme of heart and lung operations, more than 3,000 a year. The hospital makes a profit. Doctors from 60 countries have been trained, and patients from as many countries treated, there. Surgeons trained at Harefield have taken their skills of heart and lung transplantation back to the countries of their birth.

Research at Harefield is integral to the work of the hospital. As with the superb cancer and burns research facilities at neighbouring Mount Vernon, the research has been made possible by an impressive combination of public and charitable funding. As Sir Magdi has said about the Harefield heart science centre:

"Most of our work to date has been on the fault repair side of the heart and lung business. I believe it should be possible within a generation to identify the causes of heart and lung disease with a view to their prevention and thus deprive fault repair surgeons like me of their jobs."

Phase 1 of the heart science centre was completed in 1993. It has developed the artificial heart, evolved therapies to reduce transplant tissue rejection and analysed the processes of heart degeneration and the causes of cardiovascular disease. Building phase 2 will cost £2.5 million at 1996 prices, plus revenue costs, but its work on the prevention and treatment of cardiomyopathy and studies of the molecular and genetic origins of heart disease and of means of preserving donor organs longer will save the NHS millions of pounds in the longer term. Above all, it will save countless human lives.

Harefield hospital owes its origin to the Australian great war hospital on the site at Harefield park where many thousands of wounded Anzac soldiers were treated when they were brought back from the battlefields of Gallipoli and France. The hospital has a numerically small, but inspirationally famous, focus on children. Giving children born with heart problems a chance to lead a healthy life is an important part of its work. When Harefield received funding as a supra-regional transplant centre, the next project was to raise money for a new children's ward. The give-a-child-a-chance appeal was most successful, and in July 1989 the ward was opened by Her Royal Highness, the Princess Royal. Sadly, this ward is due to be closed and its facilities moved to the Royal Brompton, although out-patient paediatrics may remain at Harefield.

When the Royal Brompton and Harefield hospitals merged this April, it was my private fear that asset stripping at the expense of the country cousins at

[Mr. John Wilkinson]

Harefield would occur, not only in terms of equipment and facilities but of its supreme asset, its personnel. This is now a grave risk, starting with paediatric surgery.

A west London cardiothoracic review was initiated. In mid to late October 1998, its conclusions were lodged with the Department of Health. It suggested three possibilities. First, that the Royal Brompton and Harefield NHS trust should maintain its services in the existing locations. That would be the wise course, building on the hospitals' respective strengths and complementing effectively their talents and expertise.

Alternatively, it was suggested services at Harefield should be concentrated at the Royal Brompton, which could only involve a diminution of facilities and beds, to the detriment of patients in need of cardiothoracic treatment. It would also be a breach of faith with the joint message in the merger consultation document issued by Sir Geoffrey Errington, the then chairman of Harefield, and Sir Philip Otton, who now chairs the joint trust, which made no mention at all of closing Harefield, but spoke only of improvement of care for patients and better coordinated research.

Finally, it was suggested that both Harefield and Royal Brompton hospitals could be combined in a new hospital, to be built alongside St. Mary's on the Paddington basin site. We are told that it could still keep the proud title of Royal Brompton and Harefield NHS trust, but what consolation is that to the wonderful people who stand to lose their jobs? I do not know how much the project would cost or how it would be financed—perhaps through the private finance initiative, such as the project in west Hertfordshire. I also would not presume to know whether Chelsea needs another Lanesborough hotel, such as that constructed on the old St. George's hospital site at Hyde park corner.

I do know that closing Harefield hospital would tear the heart out of Harefield village. It is the only major source of employment in the last village left in what remains of rural Middlesex. In the words of the author of its history, the cardiothoracic surgeon Mary Shepherd, who worked there for some 20 years, Harefield hospital is "the heart of Harefield", the place where in the great war 50,000 wounded Anzacs were treated, and close to where 114 of their number remain to lie in St. Mary's churchyard, in graves bedecked and garlanded with spring flowers by local school children every Anzac day.

Between the wars, Harefield hospital treated the scourge of tuberculosis. In the second world war, Harefield dealt with casualties north of the river Thames and, with St. Mary's hospital, Paddington, enlarged its scope to deal with general and thoracic surgical war casualties, hence its current expertise.

Harefield hospital is, in short, a special place, and covetous eyes are cast upon its skilled and devoted staff—even Northwick Park hospital, in Harrow, might aspire to employ them. Its asset value must tempt potential developers, too. However, surely modernising the NHS means building on its strengths. Harefield, in peace and in war, has won a place not only in the hearts of its staff, of the villagers and of its patients and their families, but of the nation. Surely that transcends property valuations.

Harefield hospital's situation in rural green belt, at the nodal point of the M1, M25, M40, M4 and M3 motorway network, near to Heathrow and Luton airports, with its very own helicopter pad, ample space, surrounding quiet countryside, clean air and cheaper housing, is surely the right one to make it the right place for the country's premier cardiothoracic transplant centre, now and well into the century that is to come.

Developers, PFI financiers, and great and good committee men may have other ideas, but I simply pray that Our Lady of Harefield—whose image in glass glorifies a window in the hospital chapel—and of the parish church dedicated in her name may bring advent wisdom to Ministers and allow the work of the healing of hearts to continue in the village where England's first and only Pope, Nicholas Breakspear—Adrian IV—was born.

12.5 am

The Minister of State, Department of Health (Mr. Alan Milburn): I congratulate the hon. Member for Ruislip-Northwood (Mr. Wilkinson) on securing this important debate on the future of Harefield hospital—one of the best-known heart hospitals in the national health service. I am grateful for the opportunity to describe the high regard in which we hold its services.

Coronary heart disease is the most common cause of premature death in the United Kingdom. It accounts for about a quarter of deaths under the age of 65 and is on the increase. In 1997–98 in England, 389 heart and lung transplants were performed, of which around a quarter were undertaken at Harefield.

The Government have recognised the importance of getting the treatment and the prevention of the disease right by making it a major national priority for the NHS. It will be one of the first two services to be subject to uniform standards through a new national service framework. The framework will be published in April 1999 and will seek to improve the quality and consistency of services by setting clear national standards for providing care.

Today's service must be of high quality, but we also need to invest in tomorrow's service by researching the disease and teaching and training the young doctors and nurses who will provide care in years to come. The Government's commitment to research on cardiac and respiratory diseases is unwavering. This year, NHS providers in England will receive a total of £349 million for spending on research. The Royal Brompton and Harefield NHS trust is the health service's pre-eminent provider of research into cardiac and respiratory diseases and is receiving £20 million—just under 6 per cent. of that total.

Many people are aware that, under the inspirational leadership of Professor Sir Magdi Yacoub, Harefield hospital has become a world leader in heart and lung transplantation. It has the largest transplant programme in Europe, as the hon. Gentleman rightly said, and has accumulated experience over the past two decades that is second to none, not just in this country or in Europe, but in the world. Since its programme was set up in the early 1980s, Harefield has completed well over 2,000 transplants. I pay tribute to Sir Magdi and the whole team at Harefield, who have helped so many people over so many years to live a rich and fulfilling life.

Harefield not only provides top-quality medical care, but makes a major contribution to world-class research into cardiac disease through its links with the Imperial college school of medicine. The research output of the

cardiac and respiratory sciences department at Imperial has been recognised in successive assessments by the Higher Education Funding Council for England as of the highest international quality. Some 20 per cent. of the UK's research output in cardiac and respiratory diseases is completed at Imperial and its associated NHS hospitals. Perhaps even more impressively, two thirds of top-quality research citations in the UK are generated by the same department.

However, like all hospitals, Harefield is not immune to pressures and it would be wrong to try to ignore them. Some of those pressures are the inevitable result of its own pioneering effort. Following the success of Harefield's transplant programme in the 1980s, eight centres in England are designated to undertake heart and lung transplantation. Harefield continues to have the largest transplant programme, although Papworth hospital in Cambridge is now of a broadly similar size. All centres have benefited from Harefield's work and from the teaching and training that it has provided to young specialists, many of whom have gone on to work in other centres throughout the country. Through its success in sponsoring the development of other centres, Harefield has seen a substantial fall in the size of its transplant programme, with 98 transplants this year compared with 219 when the hospital was at its peak 10 years ago.

The key to future success in the research of cardiac and respiratory disease is also changing. Increasingly, top-quality medical research needs to combine basic scientific research with more specialist condition-based research, which tends to take place closer to the patient. That is why we were pleased to announce the opening of the new £67 million basic medical sciences building at Imperial college in September 1998—£20 million was contributed by the NHS, a further £20 million came from the Department for Education and Employment and the remainder was funded by the university itself.

Recently, Imperial has expressed concerns that the level of fragmentation in specialist cardiac services in and around west London may erode the future international competitiveness of the university and the national health service's research base. Those are serious concerns and we need to look at them seriously.

As part of the independent review of London's health services, the Government asked Sir Leslie Turnberg to assess the need for change in that area of London. He was also asked to look at the process that had been developed involving both the NHS and its academic partners to shape the change. Sir Leslie was encouraged by the progress that he saw. His report registered a particular concern that the way in which the service is organised in west London may not be maximising its long-term contribution to national and international research. He advised the Government to ensure that plans were carried out for a more rational distribution of specialist services across west London. The hon. Member for Ruislip-Northwood may recall that we accepted all Sir Leslie's Turnberg's recommendations, including that one.

The NHS executive asked hospitals and health authorities in that part of west London, along with Imperial college, to take part in a review of specialist cardiac and thoracic services. The review commissioned expert clinical input from a panel chaired by Sir Terence English, an internationally respected figure in heart transplantation who completed the very first heart transplant in this country and who is a former president of the Royal College of Surgeons. The review was completed in July and broadly confirmed Sir Leslie's impression that cardiac and thoracic services in west London were not organised in a way that would continue to support the highest-quality service and academic endeavour.

Sir Terence English said that three of the four cardiac centres in west London were not seeing a sufficient critical mass of patients. He recommended that existing services should be focused on fewer, larger centres. He also advised that collocation of specialist cardiac services with other related specialties would bring benefits that were not available to single specialty hospitals such as Harefield.

We have also received advice on the national heart and lung transplant programme from the joint consultants committee, which comprises the royal medical colleges and the relevant specialist associations. The advice was that the NHS should be working to a position where such complex acute services are provided only from multi-specialty hospital sites.

Sir Terence English's recommendations are being considered, alongside the conclusions of parallel reviews into specialist paediatric services and renal transplantation in west London, by the west London partnership forum. The forum comprises the hospitals and health authorities in west London as well as Imperial college and the NHS. It is chaired by the noble Lord Newton of Braintree, for whom I have the highest regard; I am sure that he will do a very good job for NHS services in that part of London and, indeed, in the rest of the country.

As the hon. Member for Ruislip-Northwood rightly said, the forum is examining a number of options for the future of cardiac services. Those include consolidating all the work of Harefield at the Royal Brompton site in Chelsea, keeping Harefield as a specialist centre and investing in the site, and building a new major heart and lung hospital adjacent to St. Mary's hospital in Paddington. Any firm proposals will be subject to formal consultation.

As the hon. Member for Ruislip-Northwood knows, I cannot comment further, since I would have to adjudicate in the event of a community health council objecting to any such proposals. I can tell him that the Government recognise the unique nature of Harefield. The interaction of science, research, teaching and services is an enormous strength. We also know that, if the Harefield team were broken up, it would be very difficult—if not impossible—to reassemble it.

My right hon. Friend the Secretary of State has met with Sir Magdi and given him a personal assurance that, while the issues are being considered, planning blight will not be allowed and funding will be made available to ensure continuing essential investment at Harefield. I hope that the hon. Member for Ruislip–Northwood finds some comfort in those reassurances, and that he will think again about some of the language, about asset stripping and so on, which he deployed in his speech.

There are difficult issues to consider in this case, and we will take the time and the trouble to do so. We will take advice from leading clinicians in the land, we will listen carefully to what Sir Magdi and others have to say and we will listen to the proposals of Lord Newton and his team. We will then reach our conclusions, following a full and proper public consultation.

Question put and agreed to.

Adjourned accordingly at sixteen minutes past Twelve midnight.

House of Commons

Thursday 3 December 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

COMMITTEE OF SELECTION

Ordered,

That Mr. Fraser Kemp and Mr. Ian Davidson be discharged from the Committee of Selection and Ms Karen Buck and Mr. Philip Hope be added to the Committee.—*[Mr. Pope.]*

Oral Answers to Questions

TRADE AND INDUSTRY

The Secretary of State for Trade and Industry was asked—

Post Office (Social Security Benefits)

1. **Mr. Steve Webb** (Northavon): What assessment he has made of the contribution to Post Office revenues derived from handling over-the-counter payments of social security benefits. [61292]

The Minister of State, Department of Trade and Industry (Mr. Ian McCartney): Details of the contractual relationship between the Benefits Agency and Post Office Counters Ltd. are commercially confidential. However, work carried out by Post Office Counters Ltd. on behalf of the Benefits Agency represents very broadly one third of all transactions carried out by the business, and a roughly similar proportion of its income.

Mr. Webb: I am grateful to the Minister for that answer, which demonstrates how important benefits payments are to the Post Office's business, yet the Government are pressing more and more people to receive their benefits through bank accounts. The working families tax credit will be paid through pay packets, not over the post office counter. What assurance can the Minister give to the postmistresses and postmasters in rural villages in my constituency that that key element of their business will not be steadily eroded through Government policy?

Mr. McCartney: The Government are committed to a national network of post offices. As the hon. Gentleman knows, because I have said many times from the Dispatch Box, we are also committed to promoting the development of those small businesses, alongside the capacity of the Post Office to deliver services on behalf of the Government. We want the network of post offices to be maintained on the basis of their increased capacity to do other types of work, in addition to delivering traditional services. The Government's review of the Post Office is critical because it will underpin that commitment.

Mr. Alan Johnson (Hull, West and Hessle): Although I support the work of my right hon. and hon. Friends in their review of the Post Office, and appreciate why the option of share sales must be included in a comprehensive review, is my hon. Friend aware of the deep disquiet felt on these Benches and in other parts of the House about share sales, and our concern that we do not go down that railtrack? Will he confirm that there is no earthly reason why a publicly owned Post Office cannot compete successfully against European postal administrations that have enjoyed the same commercial and financial freedoms for many years?

Mr. McCartney: First, the Government are totally committed to the Post Office remaining in the public sector. Privatisation went out the door when the previous Government were kicked out by the British people. Secondly, for the Post Office to develop on an international and global basis, it needs commercial freedom, commercial discipline and resources to do that job. That is the purpose of the review. It will ensure a sound financial and commercial framework, so that the Post Office can move forward to become a major player in the global postal and telecommunications markets.

Mr. Edward Garnier (Harborough): The Minister may not know that I wrote to his right hon. Friend the Secretary of State about 10 days ago to ask what progress was being made in the Department with regard to the decision to introduce or not to introduce computerised swipe cards for the transaction of Benefits Agency business through sub-post offices and post offices. Can the Minister tell me whether his Department has made a decision on the matter?

Mr. McCartney: Since the election, the Department and the Government as a whole have been developing a strategy to eliminate financial and social exclusion. We are trying to ensure that we get the resources which, over time, will allow us to provide social banking and a cost-effective and fraud-resistant means of paying benefits. We will ensure that information technology systems are put in place in the post office network to do that job for customers of the Post Office. We have cleared up the mess left by the previous Government in relation to those matters.

Energy White Paper

2. **Mr. James Gray** (North Wiltshire): If he will make a statement about the impact on electricity prices of the measures announced in the Government's energy White Paper. [61293]

The Minister for Energy and Industry (Mr. John Battle): As we set out in the White Paper, "The Review of Energy Sources for Power Generation", that was published in October, the existing distortions in the electricity market make prices higher than they should be. We consider that as the market is reformed, wholesale price falls of at least 10 per cent. in real terms and possibly more can be expected in the medium term. That,

of course, cannot be a guarantee, as the Government do not have power to set prices in open and competitive markets.

Mr. Gray: Is the Minister aware that electricity prices fell consistently from privatisation onwards? Whereas gas-fired electricity cost 2.5p per kWh, coal-fired electricity cost 4p per kWh. Is he not concerned that his ending of the dash for gas on behalf of his friends in the trades unions will result in higher electricity prices, as well as greater environmental damage?

Mr. Battle: The answer is no. We are working to reform a totally flawed wholesale market structure set up by the hon. Gentleman's party in government. I recall that it was my predecessor as Energy Minister, the noble Lord Fraser of Carmyllie, who was responsible. I am tempted to say that to lose one leader of the Lords is unfortunate, as the great wit would put it, but to lose two in a day seems downright incompetent. However, the entire country now realises that that lot opposite are not capable even of joined-up opposition.

Mr. Bill O'Brien (Normanton): I thank my hon. Friend for his reply, which demonstrates the Government's fair approach to the concerns of many of my constituents about employment in the electricity-generating industry and in the mining industry. I challenge the figures given by the hon. Member for North Wiltshire (Mr. Gray) for the price of electricity generated from coal. There are examples of it being much cheaper than gas, and I hope that my hon. Friend will ensure that that pressure on the gas-generating industry to reduce its prices continues, so that we can have the benefit of the full generating of electricity from coal.

Mr. Battle: I am grateful to my hon. Friend, who has championed a fair market in power generation throughout his time as a Member of the House. That is what the review was about. It is up to the coal industry to make its output commercially attractive to generators, but there was not a level playing field for coal to compete in that flawed market. That is the whole point, and why we will keep up the pressure to ensure that the pool is properly reformed and there is a level playing field on which one fuel is not unfairly stacked against another.

Mr. Ian Bruce (South Dorset): But the Department of Trade and Industry decided that it would reform the pool price—surely the Minister has left the market wondering what is going on. Cannot we have some decisions from the Government, rather than yet another bit of consultation and another bit of spinning? Clearly the energy industry wants to know what will happen with the pool, and any reform—which would be welcome, if it brought down the price of electricity to consumers—should be carried out now.

Mr. Battle: The energy industry asked us to work at reforming the flawed structure of the pool. For example, it pressed for a challenge to the dominance within the pool of two major generators. What have we done? We have taken action and suggested that power companies divest plant: PowerGen has agreed to divest 4 Gw of plant and National Power is looking at divestment opportunities. We have taken action—*[Interruption.]* That is within the pool, if the hon. Member for South Dorset (Mr. Bruce) does not understand the pool. The power stations come on line to sell their energy, but they are being dominated by one or two generators. We are tackling that, and sorting it out now. We are not hanging about; we are mopping up the mess that we were left by the Conservative Government.

Mr. Roy Beggs (East Antrim): Does the Minister agree that all those involved in generating electricity have responsibility to be more efficient and to ensure that electricity is produced at the cheapest possible price? Will he join me in congratulating NIGEN in Northern Ireland, which is introducing proposals to reduce electricity costs, in co-operation with the regulator?

Mr. Battle: Yes. Those Conservative Members who seem to think that prices are going up should consider time-weighted pool prices in the period from April to November when prices were about 1 per cent. lower than in the same period last year. Of course summer and winter prices cannot be compared, so we should look at the winter period. There has been a 3 per cent. fall in real terms in prices, and we hope that that will continue. We think that there is space for that to happen—through working with the regulators, as the hon. Gentleman suggested.

Mr. Denis MacShane (Rotherham): But is my hon. Friend the Minister aware of the great damage being done to the steel industry by the warped system of electricity prices inherited from the previous Government? Is he aware that the increase in prices charged to the steel industry allowed by the regulator are higher than the windfall tax paid to the Treasury by the electricity industry? The steel industry cannot wait until 2000, 2001 or 2002 for the review. Will he look urgently at what can be done now to allow our steel companies to have energy prices at a European level, not the high Tory prices that we inherited?

Mr. Battle: I share my hon. Friend's concern. Electricity contracts are financial contracts, often outside the pool. It depends what contracts the companies have, but there is concern in the steel industry about rising energy and electricity prices. In the new trading arrangements, we will change the relationship between the generators and their customers.

I have asked the Director General of Electricity Supply, who is responsible for prices, to keep a close eye on progress as it affects heavy industry to ensure that our industry is not priced out during the restructuring of the pool. In the light of my hon. Friend's question, I shall ask the Director General for a progress report on his views.

Indonesia

3. **Mr. Robert N. Wareing** (Liverpool, West Derby): If he will make a statement on trade between the United Kingdom and Indonesia. [61294]

The Minister for Trade (Mr. Brian Wilson): Indonesia was the United Kingdom's 37th largest export market in 1997, with exports totalling £701 million. This year has seen a 50 per cent. decrease in year-on-year exports to the end of September, whereas imports from Indonesia have remained steady at £740 million.

In the short term, Indonesia faces a period of economic and political uncertainty. In the longer term, the pace of economic recovery depends on the Indonesian Government's management of political change and its continued implementation of the International Monetary Fund reform programme.

Mr. Wareing: I thank my hon. Friend for his answer, which gives some comfort. Last year, £118 million-worth of transport equipment was exported to Indonesia. Similar contracts have probably been implemented this year. Will my hon. Friend take steps to ensure that none of that equipment is used for the suppression of the Indonesian people, or for Indonesia's genocidal campaign in East Timor?

Mr. Wilson: My hon. Friend's concerns are understandable. I assure him that, in the past, we have taken up with the Indonesian Government our concerns about the use of British-supplied equipment. It is the Government's policy that no equipment should be exported that would be used as my hon. Friend described. Every application for export licences to Indonesia is measured against that criterion.

Worker Rights

4. **Mr. Robert Syms** (Poole): Whom the Government plans to consult on the extension of trade union and worker rights. [61295]

8. **Ms Claire Ward** (Watford): If he will make a statement on the progress on implementing his fairness at work policies. [61300]

The Secretary of State for Trade and Industry (Mr. Peter Mandelson): We have been consulting a range of organisations that wish to offer views on fairness at work policies. As stated in the Queen's Speech, the Government will be bringing forward legislative measures in this parliamentary Session.

Mr. Syms: Will the Secretary of State publish those consultations, so that we all know the thinking of the Government and the trade unions on this matter? There is great concern that any extension of rights will increase the costs to industry, which will have a knock-on effect for employment. Dorset has already had some bad news today from GEC. The Marconi communications group is to lose 1,000 jobs, including many from the Wallisdown road site, which will affect many of my constituents in Poole and others in Bournemouth. Costs to industry are of great concern, especially given the current state of manufacturing in Britain.

Mr. Mandelson: I have put a list of the more than 470 organisations that have submitted responses to the White Paper in the Library. I suggest that the hon. Gentleman contacts those organisations. When people submit their views to the Government, they do so in confidence. We listed those who have submitted their observations, and it is up to the hon. Gentleman to contact them. It is for them to let him have the information if they so wish.

Ms Ward: Does my right hon. Friend agree that the principles of fairness at work should apply to all employees, including health service workers? Will he make clear his position on the application of the 40-hour rule to health service workers?

Mr. Mandelson: I agree with my hon. Friend. The central objective is to support a new culture of partnership and co-operation at work, whether in the private or the public sector. That is what I want to see. I have been greatly encouraged by the responses to the "Fairness at Work" White Paper, many of which have been very supportive of the Government's proposals. It is important that people in the public and private sectors, including the national health service, feel encouraged by the Government's proposals. They will help create partnership at work and a committed work force, whether in private firms and companies or in public services such as the national health service.

Mr. Geoffrey Clifton-Brown (Cotswold): The hon. Member for Watford (Ms Ward) may have been referring to a report in *The Times* today, which states that the European Union may overrule the Secretary of State on the 48-hour week for junior doctors and thousands of workers in the haulage industry. Will the Secretary of State confirm whether that is so? If it is, is it not a direct result of the fact that the Government, immediately they were elected, acceded to the social chapter? We are not able to veto these proposals, because they can be accepted by qualified majority voting. These measures will be imposed on this country whether we like it or not.

Mr. Mandelson: It was not the present Government who signed the working-time directive; it was the Government of whom the hon. Gentleman was a member.

The hon. Gentleman says that the European Commission is seeking to overrule me. I do not know on what it can overrule me, as I have yet to reach a final view as a result of our current discussions with the Commission about the extension of the directive to other sectors, including junior doctors and the road haulage industry.

My view is well known. I believe that the position must be examined on a case-by-case basis. It is important for us not to create either unacceptable inflexibility in the working practices of junior doctors, or unacceptable costs to the national health service. It is with both those considerations in mind that the Government will proceed with their discussions with the Commission.

Mr. Martin O'Neill (Ochil): Labour Members are pleased that my right hon. Friend is using expressions such as "the promotion of social partnership", and is trying to inculcate a spirit of co-operation in industrial relations. Has he received any representations from Members of the other House about proposals relating to unfair and, in particular, constructive dismissal?

Mr. Mandelson: I do not know whether there will be a right of appeal for Members of the other place under our legislation. I am sure that someone somewhere in the Commission in Brussels will be prepared to hear such an appeal if the person concerned wishes to make it—but if he wants a friend during the disciplinary proceedings, I can think of no one better than my hon. Friend the Minister of State to come to his aid, and to hold his hand when he is next summoned to the headmaster's study.

Mr. Tim Boswell (Daventry): Has the Secretary of State not observed that, during the last month, four of the five national broadsheets—*The Guardian*, characteristically and perhaps significantly, dissenting—have carried stories suggesting that he intends to perform what is described as either a U-turn or a climbdown in regard to powers for the unions? Will the right hon. Gentleman now tell the House specifically—no spin, honest—whether he intends to impose a moratorium, or cooling-off period, if he prefers, on trade union membership, in order to meet the automatic recognition criteria?

Would the right hon. Gentleman be content to go down in history—if I may slightly modify a deplorable ditty—as the man, the very smooth man, what waters the workers' rights?

Mr. Mandelson: I am sure that there are many competing issues in regard to which I may go down in history.

We are considering all the points that have been made to us in the consultation that we have undertaken following the publication of the White Paper, including a number of points made by employers' organisations. Some of those points are reasonable; others are not. Some are workable; others are not. I am confident that we will produce a Bill which, while not pleasing every single person in every respect, will be legislation with which everyone can live. It is important for a basis of consensus among both unions and employers to underpin legislation that will have serious practical effects and a considerable impact on people at work. Given its ramifications, it is right for us to spend as much time as we need to get that legislation right.

The Bill will strike a balance. It will be true to its principles and aims, but acceptable to all in its application.

Manufacturing Industry

5. **Mr. Nigel Griffiths** (Edinburgh, South): What steps his Department has taken to create a stable economic climate for manufacturing industry. [61296]

The Minister for Small Firms, Trade and Industry (Mrs. Barbara Roche): The Government have established new frameworks for monetary and fiscal policy to ensure a platform for long-term economic stability and growth. My right hon. Friend the Secretary of State will shortly be publishing a White Paper, which will include a series of measures to promote the competitiveness of UK industry.

Mr. Griffiths: While the whole country welcomes what the Government are doing to create economic stability, is all that not being undermined by the Conservative party questioning and challenging and talking down British business—questioning the independence of the Bank of England, challenging the new deal and the working families tax credit—and by the chaos that the Conservative party has created in the House of Lords by sacking Viscount Cranborne and the resignation of Peter Fraser?

Mrs. Roche: I agree with my hon. Friend. The previous Government were prepared to sacrifice the economy's long-term health for short-term political gain. I also agree that, despite the present difficulties in the world economy, the tough and decisive action that this Government have taken means that Britain is well placed to steer a course for stability and growth. It is about time that Conservative Members stopped talking down the British economy and started to support British business.

Mr. David Chidgey (Eastleigh): Listening to that response from the Minister with responsibility for small business, I am sure that she will be pleased to know that a firm called Carbospar in my constituency has just been awarded millennium project status. It is its response to the Prime Minister's challenge to show that Britain is a creative powerhouse, but I hope that she will be appalled to learn that that same firm has lost 50 per cent. of its projected overseas sales as a direct result of high interest rates and the unstable value of the pound. It is clear that winning shiny plaques is no substitute for winning orders and keeping jobs, so will she take a message back to the Prime Minister that what Britain's industry needs is a clear commitment on Britain's entry to economic and monetary union, not bits of tin to stick on the office wall?

Mrs. Roche: I congratulate the company in the hon. Gentleman's constituency. I had the great privilege to be with the Prime Minister at the launch of that challenge. It is tremendous to see some of those products come forward and to see creativity.

As the hon. Gentleman knows, sterling is now at around the same level as at May 1997. The difference, of course, is that inflation is now under control, not out of control. What is absolutely clear is that the Government will make the right decisions in relation to EMU, based on the interest of the country and of our businesses.

Ms Rosie Winterton (Doncaster, Central): In seeking to create a stable economic environment, will my hon. Friend look at the situation that is faced by companies such as Bridon International in Doncaster, which is extremely concerned about dumping, through cheap imports, of steel wire ropes from countries such as India, South Korea and Mexico? What action can her Department take to assist companies such as Bridon's in my constituency?

Mrs. Roche: I am well aware of my hon. Friend's interest in that matter and in these issues. As the House will be aware, if imports are being dumped or unfairly subsidised, the European Commission has the power to take appropriate action. It is currently investigating the import of steel wire ropes into the Community. I assure my hon. Friend that the Department is following that matter closely and we will ensure that we keep in touch with her.

Mr. John Redwood (Wokingham): At a time of factory closures and mass redundancies in manufacturing, it is typical of the Secretary of State that he decides unilaterally to reduce Trade and Industry Question Time by 10 minutes, and then he sits there with a smug grin,

unwilling to answer anything on manufacturing on today's Order Paper, but may I ask the Minister for Small Firms, Trade and Industry, who is a bit more sympathetic to manufacturing than the Secretary of State—that is not difficult—this important question, which many manufacturers are now asking the Government?

Those manufacturers tell me that business needs lower and stable taxes, not the tax rises of this Government. Does the Minister agree that the Government's failure to stop France and Germany from pressing for higher business taxes is unsettling British business and potentially very damaging to it? Will she promise that the Government whom she supports will veto, first, the withholding tax on savings, which damages savings and the City of London, and secondly, any abolition of corporation tax breaks that are enjoyed in this country, sometimes on the advice and policies of the Government?

Thirdly, will Ministers guarantee to veto any move from the Commission—it is now planning one—to make corporation tax a centrally controlled and centrally collected tax, which will be bad news for Britain and British business? All those things mean higher taxes. They will be bad for business and bad for democracy.

Mrs. Roche: The right hon. Gentleman does try—he tries very hard. However, try as he might, there is no escape from the facts. It has been made absolutely clear—my right hon. Friend the Chancellor has made it clear—that we will not support any action at EU level that will damage business competitiveness or jobs. There is no question about that and there is no question of changes being imposed on us.

The right hon. Gentleman and his colleagues really have a cheek. Given that under the last Government Britain had to go through two major recessions when 2 million manufacturing jobs were lost and manufacturing output was devastated, it is rich to hear what the right hon. Gentleman has to say about manufacturing. The Labour party is committed to our manufacturing sector. When I go round the country talking to businesses of all sizes, the one thing they say to me is that I should stop the Conservative Opposition talking down their businesses.

Mr. Alan Simpson (Nottingham, South): Will the Minister join me in reminding Her Majesty's Opposition that, throughout their period in office they refused to take a close look at how the dumping of products affected the British cycle industry? Will my hon. Friend have a particular look at what is happening with cycles from Taiwan? The sale of cycles from Taiwan to the UK economy has increased by 55 per cent. in the past year and there is already evidence that the Taiwanese Government pay for the research and development and provide the advertising in the United Kingdom for that to take place. Will she look at the distortion of trade that such an intervention constitutes?

Mrs. Roche: I know that my hon. Friend has taken a keen interest in this industry. He will know that this is a matter for the European Union Commission to investigate. The Commission needs hard evidence and, if that exists, I am sure that the industry will supply it. As I said earlier, the Department will continue to monitor the situation closely.

EU Trade Deficit

6. **Sir Teddy Taylor** (Rochford and Southend, East): What the total deficit in all trade with the EU has been since 1973 in 1998 prices. [61297]

The Minister for Trade (Mr. Brian Wilson): Figures measuring EU trade since 1973 in 1998 prices are not available. In the first nine months of 1998 the deficit on trade in goods with EU countries was £3.2 billion.

Sir Teddy Taylor: Does the Minister agree that, since we joined the EEC, our deficit in overall trade has been £155,000 million, which is equivalent to £6,000 million every year or, put another way, £16 million every day of the week, including Saturdays and Sundays? Does that not suggest that those who argued that membership of the EU would improve our trade were perhaps over-optimistic? More significantly, does the Minister agree that, bearing in mind that we have a serious structural deficit in trade with Europe, it could create appalling problems for jobs and prosperity in Britain if we were to join the EMU?

Mr. Wilson: I do not agree with the last proposition. Ultimately, it will be a decision for the British people to take, hopefully on the basis of rational argument and the evidence put before them. I have no doubt that the hon. Gentleman will participate in presenting such evidence according to his own views.

The figures quoted by the hon. Gentleman are highly selective and do not provide anything approaching the full picture of our relationship with the rest of the European Union. He must be aware that the sort of figures he was seeking are badly skewed by the fact that, although, as I said, there is a £350 million a month deficit on goods just now, in the late 1980s, under the Government of whom he was a supporter, the monthly deficit was £1.5 billion. The figures that he wants are not as simple as it may seem.

He might also take into account the investment into the United Kingdom not only from the rest of the EU but from elsewhere that we certainly would not receive if we were not a European Union member.

Mr. Llew Smith (Blaenau Gwent): Will the Minister explain how our trading position with the European Union—and our ability to create jobs—would improve if we ever decided to hand over to the European Union power over interest rates, public expenditure levels and taxation?

Mr. Wilson: Those are all evolving matters on which the Government and—on EMU—the British people will eventually give their verdict. This week, my right hon. Friend the Chancellor, and, today, my right hon. Friend the Secretary of State and my hon. Friend the Minister for Small Firms, Trade and Industry have made it perfectly clear that nothing will be done by the Government that damages British competitiveness. That is the starting point. Attempting to adduce wholly anti-EMU arguments as if our relationship with Europe is an entirely negative one is unrealistic. It is an argument of the 1970s rather than the 1990s.

Mr. Ian Taylor (Esher and Walton): Does the Minister accept that the 150 business men who signed the

Financial Times advertisement, which already carried more than 100 signatures—so we are talking about 250 or so business men—stating that they want the Government to provide greater clarification on the EMU entry timetable did so precisely because they are worried about trading prospects for United Kingdom companies after 1 January, when one single currency will dominate 80 per cent. of the single market? Will he assure the House that he will take up with the Treasury the need for it to be much clearer on how British economic policy will achieve convergence, so that the Minister himself can achieve the Secretary of State's objective of ensuring that the question is "when" not "if"?

Mr. Wilson: Since May 1997, the Treasury's policies have been absolutely clear and have carried widespread public support. Part of the problem for the Treasury and the Government in the debate on Europe is that, for the last 18 years, that debate has been skewed by irrational hostility of exactly the type we heard again today from the hon. Member for Rochford and Southend, East (Sir T. Taylor).

Mr. Ben Bradshaw (Exeter): Does the Minister accept that, by any measure, our trade deficit with Europe would be much worse if we were not in the European Union? Does he also share the concern of many Labour Members, most Liberal Democrats and the few remaining sane Conservative Members that our exporters will suffer a disadvantage as long as we remain outside the euro zone?

Mr. Wilson: My hon. Friend is absolutely right to mention the other side of the coin of our trade relations with the European Union: more than half our exports are to the European Union. I was certainly very pleased to note in last month's trade figures—particularly against the background of difficulties elsewhere in the world—that the value and volume of our exports to fellow EU countries increased in that period. Moreover, we still have a very substantial inflow of investment from EU countries. In general, it is a healthy and balanced relationship. I entirely agree with my hon. Friend that, if by any mischance we were outside that relationship, the United Kingdom's economic prospects would be very much worse than they are now.

Community Pharmacies

7. **Mr. Tim Loughton** (East Worthing and Shoreham): What discussions he has held with the Community Pharmacy Action Group in relation to resale price maintenance. [61298]

The Minister of State, Department of Trade and Industry (Mr. Ian McCartney): None. However, during the passage through Parliament of the Competition Act 1998, my right hon. Friend the then Secretary of State and my hon. Friend the Member for Edinburgh, South (Mr. Griffiths) met representatives from the Community Pharmacy Action Group to discuss resale price maintenance in that legislation.

Mr. Loughton: Does the Minister think that he knows better than the Community Pharmacy Action Group, which has warned that at least 3,000 community pharmacies could close because of changes to resale price maintenance in the Competition Act—a view that was echoed by 150 Labour Members in early-day motion 643? What comfort can he offer community pharmacists in my constituency, particularly in Worthing and Southwick, who offer vital services—such as 24-hour opening, emergency cover and free delivery, particularly to pensioners—but who now face going out of business?

Mr. McCartney: The hon. Gentleman is talking arrant nonsense. During the passage of the Competition Bill, the hon. Member for South Cambridgeshire (Mr. Lansley) admitted that the action group had accepted the way in which the Government were carrying out the proposals and had dropped its objections. The Director General of Fair Trading has applied to the restrictive trade practices court for leave to have the continuation of resale price maintenance reviewed. If the court concludes that resale price maintenance for over-the-counter medicines continues to be in the public interest, it will benefit from a five-year exclusion from the prohibition of anti-competitive agreements in the Competition Act 1998. The Government are committed to community pharmacies. That is why my right hon. Friend the Secretary of State for Health increased resources to that sector in his recent review.

Mr. Peter L. Pike (Burnley): If competition from superstores puts local chemists out of business, will not the elderly and the poor lose most?

Mr. McCartney: The Government are more committed than anyone to community pharmacy services. The hon. Member for Tunbridge Wells (Mr. Norman)—the vice-chairman of the Conservative party—is taking a legal action on the issue. That is typical of the Conservatives. They are in favour of big business and do not defend small business.

Mr. Andrew Lansley (South Cambridgeshire): Given the Government's rhetoric during the passage of the Competition Bill about the importance of community pharmacies, will the Minister undertake that the Government will give evidence to the restrictive trade practices court during the forthcoming hearings on the importance of community pharmacies in maintaining a service on competition grounds, and will put forward the health evidence and the primary care benefits of community pharmacies?

Mr. McCartney: The hon. Gentleman knows that the issue is before the court. The Government have no power to say anything because the issue is sub judice.

Manufacturing Investment

9. **Mr. Alan W. Williams** (East Carmarthen and Dinefwr): If he will make a statement on the latest figures for investment in manufacturing *(a)* in cash terms and *(b)* as a percentage of GDP; and what the comparable figures are for the United Kingdom's main competitors. [61301]

The Minister for Energy and Industry (Mr. John Battle): In 1996, the latest year for which internationally comparable figures are available, the Organisation for Economic Co-operation and Development estimates that

the value of manufacturing investment in the UK was £15.4 billion, or 2.1 per cent. of GDP. Manufacturing investment accounted for 3.1 per cent. of GDP in Germany, 2.3 per cent. in France and 2 per cent. in the United States.

Mr. Williams: I am grateful to my hon. Friend for those figures, which show once again that manufacturing investment in Britain lags behind that in our competitor countries. Why have we consistently invested less in manufacturing industry over the decades? What have the Government done to tackle the problem and what further action does the Department of Trade and Industry intend to take to boost manufacturing investment?

Mr. Battle: Since the general election, manufacturing investment has been greater as a share of manufacturing output than at any time since 1985. The Government are taking key action to support manufacturing. We are investing in the science base to benefit engineering and technology. The DTI is a catalyst driving forward innovation, supporting the smart and link programmes that link government together in practical working partnerships focused on the future. We have taken action to strengthen supply chains, such as the industry forum masterclass that the DTI has set up. We are working on a detailed action plan with the textile industries to get designers nearer to manufacturers. I shall address the shipbuilding forum on 16 December. The forthcoming competitiveness White Paper will provide a framework within which we can all work to support manufacturing and the regeneration of some of the older industries.

Mr. John Redwood (Wokingham): Investment is under threat from the Government's policies of high taxes, high exchange rates and high interest rates. I am sure that the Minister agrees that a competitive exchange rate is crucial to future manufacturing investment and success. Given that the Secretary of State—who once again does not want to answer on manufacturing—thinks that it is a question of "when" rather than "if" we join a single currency, again showing his normal disregard for public opinion and Parliament, will the Minister answer these three questions? One: will he confirm that all 11 states entering the single currency are doing so at their exchange rate mechanism mid rates? Two: will he also confirm that our exchange rate mechanism mid-rate is DM2.95? Three: does he accept that entry at such a rate would be a hammer blow to manufacturing and manufacturing investment? Are he and his boss the Secretary of State proposing that we go cap in hand to seek a devaluation of our ERM mid-rate or are they saying that we should go in at that rate and that manufacturing can go hang?

Mr. Battle: We have made it absolutely plain that we will join at the appropriate rate. The right hon. Gentleman's questions come way down the course, but it is interesting that he asks them now. I am tempted to ask him whether he has cleared them with the leader of his party, who at least seems to be rather tougher than his previous leader, with whom the right hon. Gentleman fell out.

European Aerospace Industry

11. **Mr. Michael Jack** (Fylde): What support his Department has given towards strengthening the performance of the European aerospace industry. [61304]

The Minister for Energy and Industry (Mr. John Battle): Since the general election, the Government have agreed to invest in the United Kingdom aerospace industry through launch investment. We have also strongly encouraged the sector to play a leading role in international restructuring in Europe and we are involved in partnership with the industry in a range of measures aimed at improving its global competitiveness.

Mr. Jack: I am disappointed that the Minister did not mention the civil aviation research and demonstration programme, which has played a leading role in enabling the United Kingdom's aerospace industry to contribute to the strength of the industry in Europe through developments such as the Airbus wing and the RB211. There is disquiet in the industry about whether the Government are considering cancelling the programme and cutting the remaining £20 million of help that is given through that mechanism. Will he give the industry the reassurance that it needs and say that the Government will continue to support technical development through the research programme, and that resources will not be cut?

Mr. Battle: The Government are investing up to £323 million, with a return over the next 17 years, which is a heck of a lot more than the previous Government invested in the industry. We have worked hard to ensure that the Airbus project comes together. Last December, the Prime Minister, with the Germans and the French, drew up a trilateral statement saying that the industry in Europe needs restructuring to face international challenges. We accepted the need for investment; indeed, we are investing more than the previous Government did, as companies acknowledge and welcome rather more than Conservative Members do.

Mr. Christopher Chope (Christchurch): The regulatory and competition issues in the aerospace industry are so important that the Secretary of State has had four meetings with British Aerospace in the past few weeks—indeed, I am surprised that he is not answering this question. He also in the past few weeks announced major BAe sponsorship of the dome. Does the Minister accept that the only way in which the Secretary of State will ever be seen to be an impartial regulator is if he gives up his sponsorship of the dome?

Mr. Battle: The hon. Gentleman isn't half trying hard. He can try his luck during questions on the dome if he waits seven minutes. [HON. MEMBERS: "Two."] There is no question of my right hon. Friend's integrity and impartiality. If the hon. Gentleman is seriously interested in the aerospace industry, he should be celebrating the fact that Airbus announced at Farnborough this year a record £7 billion in orders, which is more than the Americans ever had—there are orders for 135 aircraft. We have worked hard with the industry to ensure that it will win orders and have a successful future.

Mr. Gordon Prentice (Pendle): We cannot let the carping and criticism of the right hon. Member for Fylde

(Mr. Jack) go unchallenged. Have not companies such as Rolls-Royce in my constituency benefited hugely from the Government through launch aid for the Trent engine? Launch aid has also been given for the development for the Airbus.

We have been reading in the newspapers about the large number of redundancies—48,000—that Boeing is planning to make in the United States. Will my hon. Friend say what the ripple effect will be? What are the implications for the European aerospace industry?

Mr. Battle: My hon. Friend raises a serious issue. The industry is undergoing a mega restructuring and we are watching carefully to see what the ripple effect will be on the supply chain in this country. We need to work hard to ensure restructuring in Europe so that the industry can withstand the changes and work towards a positive future. I sometimes have the impression that Conservative Members talk down manufacturing and the economy at every opportunity. Just because their party is sinking, they do not have to drag the economy down with them.

MILLENNIUM EXPERIENCE

The Secretary of State was asked—

Opening and Closing Ceremonies

30. **Mr. David Chaytor** (Bury, North): What progress has been made with plans for the opening and closing ceremonies at the millennium dome. [61327]

The Secretary of State for Trade and Industry (Mr. Peter Mandelson): The beginning of the year 2000 will be celebrated right across the country. The New Millennium Experience Company's plans for the opening ceremony are progressing well. The company is liaising with the relevant London authorities, Government Departments and broadcasters to ensure that there is a co-ordinated approach to the new year's celebrations at the beginning and end of 2000. Plans for the closing ceremony are, understandably, still at a slightly early stage.

Mr. Chaytor: Will my right hon. Friend make every effort to ensure that the opening ceremony truly reflects the diversity of life in this nation, which some of our national ceremonies—I am thinking of the state opening of Parliament, for example—do not always do? Everybody in the United Kingdom would agree that we want a ceremony that reflects north and south, young and old, black and white—the whole nation together.

Mr. Mandelson: My hon. Friend's points are at the heart of the millennium experience and the year-long millennium festival that will take place during the year 2000, and at the heart of the national programme, the millennium challenge, that will take place next year in the run-up to the opening of the dome and the millennium experience itself. The opening and closing ceremonies will reflect the Christian significance of the celebration and the diversity and creativity of the UK as a whole. Both ceremonies will be fitting occasions, uniting the entire country and giving everyone something to be proud of in a unique marking of the millennium by Britain which will bring together the best of British—pride in our past and, I foresee, considerable confidence in our future.

Mr. Peter Ainsworth (East Surrey): With so much still left to achieve—but as we begin to look towards the opening ceremony—may I ask the Secretary of State to join me in congratulating the on-site contractors, the team of the New Millennium Experience Company and, in particular, Jenny Page, on their heroic efforts so far—in circumstances not entirely helped by the involvement of the Secretary of State—to ensure that there will be something worth while opening on 31 December next year? Given that the project suffers almost daily from a round of unhelpful and unwelcome rumours and press comment, will the right hon. Gentleman accept—as he has not hitherto done—the vital importance of clarity, frankness and openness in all future statements relating to the dome as the best way to instil public confidence in this project in the 393 days which remain until the opening ceremony?

Mr. Mandelson: I shall try to make my answer slightly shorter than the question. I take enormous pleasure and pride in joining the hon. Gentleman in paying tribute to the New Millennium Experience Company and the scores of people who are working round the clock to make the dome—and the millennium experience—the success that it deserves to be. I am pleased to hear the hon. Gentleman at long last saying something remotely positive about the millennium experience. I only hope that that becomes contagious among his right hon. and hon. Friends.

Sponsorship

31. **Mr. Ben Chapman** (Wirral, South): What is his latest assessment of the private sector's financial input to the millennium dome. [61328]

The Secretary of State for Trade and Industry (Mr. Peter Mandelson): As announced on 26 November, the New Millennium Experience Company has confirmed private sponsorship support of £120 million: 80 per cent. of the £150 million target. That is a remarkable achievement and already represents more than double the amount raised previously for any single event in the United Kingdom.

Mr. Chapman: Those are indeed remarkable figures. Do they not confirm that the Labour party is working in dynamic partnership with the private sector; that the pessimism of the Conservative party has again proved unfounded; and that the Conservatives' determination to talk down Britain on this and on other matters is misguided?

Mr. Mandelson: My hon. Friend makes a good point. In this, as in so many other aspects of our national life, the Conservative Opposition are desperate for us to fail, and we do not intend to give them that pleasure. I applaud those in the private sector who have shown their commitment to the millennium experience, which will be a great and unique British event. They recognise that their commercial interest coincides with the national interest.

I am pleased to say that, in addition to the information on sponsorship that I have already given to the House, I expect a further £15 million to be announced shortly, and an additional £25 million is subject to detailed negotiation. That is a great achievement by the New Millennium Experience Company, which organises, procures and negotiates the sponsorship, and it deserves our hearty congratulations.

Dr. Julian Lewis (New Forest, East): Are the contracts with the sponsors already binding and irrevocable? If not, when precisely will they become so?

Mr. Mandelson: I am pleased to tell the House that all the sponsorship agreements that I have announced have received full boardroom approval.

Mr. Dennis Skinner (Bolsover): Has my right hon. Friend considered the fact that, to improve the financial input, we need a history section in the dome? It could have a prehistoric zone, in which we could have 750 hereditary peers lined up. They could be photographed with young children and others outside McDonald's, dressed in their ermine, and they could be led by Baby Dome, the Leader of the Opposition. The result would be a magnificent financial success. We could call it the millennium new deal experience.

Mr. Mandelson: As ever, my hon. Friend is most persuasive. I have decided to consider introducing a Cranborne memorial zone, to commemorate a unique contribution to the future of Britain.

32. **Mr. Graham Brady** (Altrincham and Sale, West): How many companies have been approached with requests to sponsor elements of the millennium experience. [61329]

The Secretary of State for Trade and Industry (Mr. Peter Mandelson): The New Millennium Experience Company has approached 50 companies with requests to sponsor elements of the millennium experience.

Mr. Brady: I thank the Secretary of State for that remarkably and uncharacteristically brief answer. Given the number of major British companies that have been approached by him and his colleagues, touting for sponsorship for the dome, there will clearly be concern about apparent conflicts of interest for as long as he is in control of the project's sponsorship. That is thrown into sharp relief by reports in the press this weekend suggesting that he has been personally involved in seeking sponsorship from the Hinduja brothers, in stark contrast with the assurance that he gave the House on 9 November, saying that he would never be involved in procuring or negotiating. Will he apologise for apparently misleading the House, inadvertently or otherwise, and make it clear that he will no longer be involved in touting for sponsorship for the dome?

Mr. Mandelson: I am pleased to say that the Hinduja Foundation is indeed considering making a contribution to the sponsorship of the spirit level zone. That is a much better use of its money than its long-standing financial contributions to the Conservative party.

Mr. Tom Clarke (Coatbridge and Chryston): In the various consultations that my right hon. Friend has mentioned, including those on sponsorship, will he remember the important role for the British tourist industry? Does he recall that the Prime Minister has said that Greenwich should be the gateway to the whole of Britain and, in that spirit and in the spirit of a festival of Britain, does he accept that a great industry such as tourism, our fifth biggest, should be given due regard?

Mr. Mandelson: I am pleased to say that the tourism industry throughout the United Kingdom has been heavily involved in all the planning and organisation of the millennium experience. Everyone who works in that industry or stands to benefit from it will enjoy huge financial benefits and an economic dividend from our organisation of the millennium experience. I predict a halo effect of some £1 billion for the British economy as a result of the decision to organise the millennium experience.

Teachers

3.31 pm

The Secretary of State for Education and Employment (Mr. David Blunkett): With permission, Madam Speaker, I wish to make a statement about the Government's consultation on the reform of the teaching profession. This statement relates to England: my right hon. Friend the Secretary of State for Wales will report separately in the new year.

Over the past eighteen months, the Government have shown their determination to raise standards. Children are learning to read effectively in the new literacy hour. Infant class sizes are falling for the first time in a decade. We are rapidly expanding specialist schools and developing education action zones. We have tackled failure whenever and wherever it exists and we are providing £19 billion of investment to improve education across the United Kingdom over the next three years. That money for reform and modernisation is to give our children opportunities denied for far too long.

Teaching is at the heart of our drive to raise standards. Good teachers are our most precious asset in raising aspirations and achievement. That is why today I am proposing a fundamental step forward for the profession. Our first objective is to develop a new career structure that will recruit, retain and reward the teachers we need.

Under the present system, after seven years, a good classroom teacher earns around £22,500. Further reward is paid only for responsibility, rarely for performance. The Government believe that must change; that is why we are proposing two new pay scales for teachers, separated by a new performance threshold. There will be a tough new appraisal system. Up to the threshold, teachers would progress as now. To cross the threshold, teachers will need to demonstrate high and sustained levels of achievement and commitment. Heads will appraise and review teachers' progress, underpinned by external assessment. That will ensure credibility and consistency.

Success in crossing the threshold would mean an initial salary increase of up to 10 per cent., or around £2,000 a year, and access to further pay steps on the higher scale, based on appraisal of performance. Teachers could then either take on more leadership responsibilities or concentrate on high performance in classroom teaching. Over time, we would expect a majority of teachers to be of a standard to cross the threshold.

Our second objective is to strengthen school leadership. Good heads are the key to success. We need to develop strong leaders, reward them well and give them the freedom to manage. Successful heads who have turned around the most challenging schools could earn up to £70,000 a year, with strengthened appraisal and the option of fixed-term contracts. We also propose to set up a national college for school leadership, drawing on the best that education and business have to offer.

We also want to reward staff for teamwork in raising standards. Our new annual school performance bonus would provide a significant number of schools with a financial reward—payable as a bonus available to all staff—for improved performance achieved year on year and for sustained good results.

Our third objective is to have a well trained profession. We are establishing the General Teaching Council, and have introduced a curriculum for initial teacher training—with Ofsted inspection—and the induction year for newly qualified teachers. I can announce that we intend to go further by introducing a new national test for all trainee teachers in numeracy, literacy and information technology. Additional help in achieving the standard will be available for mature entrants.

It is vital that we attract the best graduates into teaching to ensure that our most outstanding teachers can move quickly up the profession. Industry and the civil service have fast tracks. We plan to introduce a fast track for teaching to enable good new teachers to make rapid progress. All teachers should keep their expertise up to date. To help them to do so, we are investing in better training in literacy, numeracy and information technology, and in improving the quality and availability of teachers' professional development. A pilot scheme of individual learning accounts will encourage all school staff to invest in their skills over and above Government funding. We will enable more training to take place out of school hours, to minimise disruption to pupils' education through over-reliance on supply cover.

Our final objective is to provide better support for teachers in the classroom. From the investment in repair and renewal through to the learning grid, we are committed to creating the classroom of the future. Today I propose a new targeted fund to improve the working environment for all staff, giving teachers access to the equipment that they need.

The teacher of the future will also make better use of the talent of support staff in schools. Many teachers already use teaching assistants to help with literacy and numeracy, or to support children with special needs. Over the next three years, we will fund at least 20,000 additional qualified teaching assistants with improved training, qualifications and opportunities. We are also keen to see the use of undergraduate and postgraduate students earning while learning, together with those from the wider community.

We also want to support small schools in sharing facilities, technicians or bursary support. I can announce today that a new small school support fund will pilot new ways of working together. It will benefit many rural schools.

The Green Paper contains radical and modernising proposals that will help to transform the standards and status of teaching in this country. It is about something for something. For the first time in years, a commitment has been made to invest and reward teachers in return for a new professionalism. That will mean greater individual accountability, more flexibility and higher standards.

We intend to consult widely with teachers, parents, local authorities and governors, for whom we will provide support and expert guidance to help them implement our proposals.

The vision of a world-class service for our children in the next century is one I believe we all share. Good teachers and support staff are the key to achieving that vision. It is to prepare for that new century, to celebrate the value and worth of our teachers, and for the sake of our children, that I commend these proposals to the House today.

Mr. David Willetts (Havant): May I begin by putting it on record that the Opposition believe in proper rewards for good teachers, and that we agree with the Secretary of

State that we are not recruiting and retaining enough good teachers? It is a problem that needs to be tackled, but it is also a problem that has got significantly worse during the right hon. Gentleman's stewardship. Does he recognise that many teachers attribute that fact to the bureaucratic burdens that he has imposed on them?

How does the right hon. Gentleman expect to recruit more people to the teaching profession if he does not treat them like professionals, instead denouncing them as "sneering cynics"? Now, he wants to test them for basic literacy and numeracy. Will he estimate how many of the teachers who are currently being recruited would fail his new test? What has happened to the advanced skills teachers scheme, which only this morning the Prime Minister put at the heart of the Government's proposals? Perhaps even the Secretary of State could not face relaunching it yet again. On 30 March, he claimed that there would be 5,000 so-called super-teachers. Will he confirm that, so far, only 50 have been recruited?

The Secretary of State talks about paying teachers properly. Teachers would regard it as hypocritical of the Government to launch this exercise today and then fail to implement the recommendations of the pay review body, which are due next year. Will the right hon. Gentleman assure teachers that he will accept its recommendations in full? Can he confirm that his Department wrote recently to that body to urge it to hold down teachers' pay; and will he place in the Library a copy of his correspondence with it?

The right hon. Gentleman mentioned a new threshold for a new structure of teachers' pay, but how quickly will a teacher reach it? How long will it take for the majority of teachers to cross it? He says that he wants to strengthen school leadership, but he well knows that there has been a disastrous decline in the number of teachers applying for the national professional qualification for headship. Does he agree that the reason is that they are all too busy responding to his instructions and initiatives?

We need better ways to encourage top-quality graduates into the profession, but the right hon. Gentleman's fast-track scheme is a vague plan, which gets five paragraphs in a 72-page document. Will he confirm that his fast-track scheme applies only to a small percentage of the 450,000 members of the teaching profession? As the Prime Minister might say, these are policies for the few, not the many.

Once more, the Secretary of State puts his trust in plans and targets, rather than the professionalism of teachers and the judgments of parents. Does he know what is already happening to his grand plans in practice? Only yesterday, I came across a school that has set targets in its educational development plan which are lower than its current level of attainment. Is the Secretary of State proposing a crude tick-in-the-box school performance awards scheme, with every incentive to set soft targets without any fear of being challenged; or will he rely on outside consultants—and how much will that cost?

Will the Secretary of State also confirm that the initiatives are to be paid for out of central funds, bypassing local education authorities? Will he confirm that the proportion of school funding from standard spending assessments is steadily falling as, instead, head teachers have to spend all their time applying for individual packets of money, under his personal control? The Secretary of State is exasperating teachers with his ceaseless flow of initiatives. At the last count, schools and LEAs were having to submit 17 plans to him. Now he even has a working party to cut the paperwork produced by all the other working parties.

We are told that education action zones are the most radical initiative of the lot. Indeed, the main appeal of joining such zones is that the initiative enables schools to opt out from all the other schemes that the Secretary of State has imposed on them. Will he therefore confirm that schools in education action zones will not be bound to implement whatever changes he introduces to teachers' pay and conditions?

The statement is warm words and ambitious claims, but as always with the Secretary of State, there is little about the practicalities. We want practical, flexible measures to recruit, retain and reward good teachers—measures which rest on local flexibility and local discretion. Instead, the Secretary of State has produced another cumbersome scheme, based above all on his belief that the man in Whitehall knows best. We very much doubt whether it can be made to work. Teachers, parents and children deserve better.

Mr. Blunkett: I think the House deserves better than that. A party that presided over the largest exit of teachers in memory owing to its inept messing about with the pension scheme and severance pay is ill prepared to come here this afternoon and talk about difficulties with recruitment. We are facing up to those problems in a way that the Conservatives failed to do in their 18 years in office. The whole programme is geared to recruiting, retaining and rewarding. We know that there is a serious problem: 35 per cent. of those who train do not go into teaching within two years, which is a tragic waste of resources. Let us work together to attract people and keep teachers in the profession.

The hon. Gentleman spoke about basic literacy and numeracy. The fact that many of those who were educated in the past 18 years do not have basic literacy and numeracy skills is not down to the Labour party, but is a result of the Conservatives' failure to provide the necessary phonics, grammar and spelling, which the hon. Gentleman attacks every time he rises to speak.

I tried to ensure that Opposition parties had the Green Paper long enough to allow them to take a look at it this afternoon, instead of giving them only the usual half hour. I had hoped that the hon. Gentleman would at least see that the advanced skills teacher posts form part of the new leadership tier—they are in there. We are pleased that 1,100 people have already applied in time for the target date for the 1 April roll-out; and 80 per cent. of local authorities have put in schools for the advanced skills teacher posts.

What about the pay review body? Who was it kept holding back teachers' pay and did not implement awards in full? I love the way in which the Conservatives, whose instructions to the pay review body to hold down pay and not to implement awards resulted in the catastrophe that occurred in the teaching profession a year or two ago, come here and have the cheek to tell us what the hon. Member for Havant (Mr. Willetts) has said today. No, I did not tell the review body to hold down teachers' pay; I told it to take account of the circumstances of inflation and, above all, to take account of the fact that we did not want to stage the review from next April. We are clear about that.

[Mr. Blunkett]

How quickly will teachers reach the threshold? We have instigated the fast track for new entrants and the figure will be about 1,000 people a year, which, given the numbers coming into teaching, is a substantial figure. Others who are already in the teaching profession—new teachers in years one and two—will be able to multiply the number of increments through which they can move as part of the new system of appraisal. Fast track linked to appraisal will enable people quickly to reach the point which currently takes them seven years to reach. The whole system is based on appraisal and external assessment—a light touch that enables heads to do their job, but with assessment being carried out from outside to secure fairness and consistency, which is what I described in my statement.

The hon. Gentleman raised the issue of getting money to schools. It would be grossly unfair if we used a system that resulted in schools that did not have a large number of teachers passing through the threshold getting the money, while those that legitimately had a large number of high-performing teachers could not afford to pay them. That is why, in the early stages, we shall ring-fence the money and consult on ensuring that the money reaches the schools where teachers require the pay. The teaching profession has for years asked us to make sure that there is no block on the ability to pay good teachers well, just because they happen to be in the wrong authority or the wrong school, based on the distribution system.

Education action zones will pioneer our programme. They will be one step ahead of it and they will be able to reward good teachers extremely well. That is why we set them up and why I am sure that the whole House will support the new programmes.

Mr. John Gunnell (Morley and Rothwell): I welcome my right hon. Friend's statement, which appears to be one that must give the teaching profession new life and expectations of a far better time in the future under a Labour Government.

I regret the fact that the hon. Member for Havant (Mr. Willetts) made such poor use of the advance sight of the document that the Secretary of State gave him. He clearly approached the Green Paper in the wrong way: he looked to see how he could carp and criticise instead of offering constructive suggestions about education in the future. I regret the fact that the hon. Gentleman missed the opportunity to show support for our teachers and instead concentrated simply on the mess that he knows his Government made of the same programmes— *[Interruption.]*

Madam Speaker: Order. I must correct hon. Members. This is a time for questions, not speeches. Is the hon. Member for Morley and Rothwell (Mr. Gunnell) coming to his question?

Mr. Gunnell: I am coming—

Madam Speaker: Good. The hon. Gentleman is providing a good example of how not to put a question to the Secretary of State. It is the first Back-Bench question, and I hope that the hon. Gentleman will not mind my using it as an example of how not to question the Secretary of State.

Mr. Gunnell: I welcome particularly the fact that teamwork is rewarded, because there is no profession where it is more important. If I may give a specific example—

Madam Speaker: No, I am sorry. A joke is a joke—I have a sense of humour the same as anyone's, but I cannot allow speeches. There will be no examples. Just ask a question, please.

Mr. Gunnell: In order to exploit his skills, a science teacher often relies on a laboratory assistant who does the preparation work. Under such circumstances, how will a school recognise both the excellence of that teacher and the role of the laboratory assistant in preparing his work?

Mr. Blunkett: I thank my hon. Friend, and I agree entirely with the preamble to his question.

Those who assist and support teachers will benefit from the school bonus programme, from the development of the individual learning account and from new training and support. Many of them will want to progress in their professions and some will want to begin teacher training. We will encourage them to do so on a modular basis so that they may continue to earn their living while preparing to enter the teaching profession.

Mr. Don Foster (Bath): Will the Secretary of State confirm that, under the approach adopted by the previous Administration, nearly 20,000 experienced but demoralised and disillusioned teachers left the profession in just one year? We need to do better. Does the Secretary of State accept that the Liberal Democrats welcome the broad thrust of the proposals? Will he confirm that performance-related pay will not be paid according to results? It should be based on the skills, experience and competence of teachers, not the performance of their pupils.

Will the Secretary of State further confirm that the opportunities for higher rewards will be available to all teachers and that he expects the majority of teachers to benefit from them? However, will he also acknowledge that he is relying a great deal on the assessment procedure, and that there will be complications if that procedure is used simultaneously to judge teachers' salaries and an appropriate amount of continuing professional development?

Finally, does the Secretary of State accept that, although his proposals will assist in the longer term, there is an immediate crisis? May I therefore welcome his clear and unequivocal statement today that the teachers pay award will not be phased? Can he confirm that, at a minimum, it will be sufficient to meet the real inflation costs hitting teachers' pockets?

Mr. Blunkett: I welcome the hon. Gentleman's opening comments. We can work constructively to get the proposals agreed. On the final point, the recommendation is entirely in the hands of the review body and must be independent. I will respect that.

I shall deal with the essential points that the hon. Gentleman raised. Teachers will move to and will be appraised for moving through the threshold on their performance and their commitment, not on the quantum of past exam results of students whom they may well not have had a hand in teaching. That aspect falls into the teamwork approach and will be dealt with separately through sophisticated arrangements for the school bonus. There is nothing crude about that which would punish teachers for working in challenging schools in difficult areas.

Sufficient resources will be available over the initial period to ensure that a majority of teachers can access the programme, bearing in mind that many teachers will be entering the profession and will be in the early stages. About £1 billion will be available in 2000–01 and 2001–02 to put the proposals into place. It is the best promise that teachers have ever had.

Miss Melanie Johnson (Welwyn Hatfield): Unlike the hon. Member for Havant (Mr. Willetts), I believe that the national professional qualification for headship offers great scope for the development of head teachers. I warmly welcome my right hon. Friend's comments about how valuable and important heads are in the lives of schools and the quality of education. How does my right hon. Friend see the NPQH developing through the new structures that he outlined this afternoon?

Mr. Blunkett: The development of the college that I described will play a signal role in helping us to extend the NPQH. As hon. Members know, great enthusiasm for it has been expressed by heads. In the initial period we, together with the Teacher Training Agency, have been appraising how we can improve it and build on the experiences of head teachers.

We want to be able to fast-track those willing to undertake leadership, in order to allow them to do so on a modular basis and to accelerate their professional development. We want to put in place as heads those enthusiastic young men and women who see their role in education in the future and have the natural skills to lead the profession in the new century.

Mr. Tim Boswell (Daventry): Does the Secretary of State recall that the 1995 Conservative Government's Blue Paper on teacher training began with the words

"In education the role of the teacher is central"?

Any aspects of his proposals that stimulate higher standards in the teaching profession, if fulfilled, will be welcome to us.

Nevertheless, may I raise two points with the right hon. Gentleman? The first is a technical one, relating to the basic skills requirements for teachers. Is it not high time that those were built into the standard suite of qualifications—the GCSE, A-level and degree level performance of teachers—so that they do not need re-examination? If anything, existing teachers may need some strengthening in that respect.

Secondly, does the Secretary of State accept that there is likely to be a severe strain on resources, both in assessment and in paying for this substantial pattern of incentives? If so, is there not a danger, while the proposals are being worked through, of a two-tier profession? They can in no sense be a substitute for the adequate remuneration of ordinary classroom teachers who are doing their best and largely succeeding in doing a proper job for their pupils.

Mr. Blunkett: I accept the hon. Gentleman's sensible questions in the spirit in which they were delivered. The lag between now and the underpinning of A-level and advanced year NVQ in respect of key skills must be addressed—hence the development of the literacy, numeracy and IT programme that I described. We must help mature entrants to catch up without feeling at a disadvantage.

The question of how we implement that is important. We will have performance management systems in place, which will be monitored by Ofsted and the Audit Commission. The performance management systems will be crucial to ensure that the appraisal and review are non-bureaucratic. The outside assessors will give consistency and fairness to the system, so that people cannot claim that there has been discrimination or the blocking of a teacher's application for movement through the threshold. It is important that we get that right in the early stages. If we can move quickly after the consultation period, I should like to start the appraisal and begin the assessment process before implementation in 2000 so that we can move people on to the new scales as quickly as possible.

Fiona Mactaggart (Slough): Is my right hon. Friend aware of how welcome his promise to improve the environments in which teachers work will be? As a teacher who spent at least two years in an asbestos-riddled hut, I know how many of my colleagues would have been pleased to benefit from that.

I invite my right hon. Friend to use the opportunity that the proposals present to reconsider the requirements that university institutions put on entrants to the primary postgraduate certificate of education. I am concerned that such entrants are required to have degrees in national curriculum subjects. That requirement was introduced in advice by the previous Government.

There are, therefore, people with excellent degrees—in subjects such as modern languages, which do not apply in primary years but develop skills that are relevant to literacy teaching—who are not eligible for the primary PGCE. If we have ways of testing literacy and numeracy skills, as well as information and communications technology skills, there is a strong case for changing that requirement. Will my right hon. Friend consider doing so?

Mr. Blunkett: I am very happy to tell my hon. Friend that we were concerned about the way in which that previous advice was being interpreted. My hon. Friend the Minister for School Standards has sent out a letter clarifying that, so that there will be no future misunderstandings. I hope very much that it will help to alleviate the problem.

My hon. Friend's question gives me the opportunity to pay tribute to my hon. Friend the Minister for School Standards. She and my advisers and officials have worked incredibly hard with me on the Green Paper, and I appreciate that greatly.

Mr. Graham Brady (Altrincham and Sale, West): The Secretary of State will be well aware that the results

[Mr. Graham Brady]

achieved by the secondary modern and grammar schools in the borough of Trafford are once again among the best in the country. That is largely because we have a great number of excellent teachers in those schools.

Will the Secretary of State make it clear—I think that he gave such an assurance and I welcome it, if he did—that there is no upper limit on the number of teachers who can qualify, and that there will be consistent interpretation according to the quality of their performance and nothing else?

Will the Secretary of State also make it clear that schools or the local education authority will not have to fund the programme; and—this is important, given the large numbers involved—how quickly does he envisage all teachers who may qualify being able to go through the qualification period? What are the implications in terms of cost and the number of external assessors who need to be part of that programme?

Mr. Blunkett: There were a large number of questions rolled into one there, so I shall be brief. I have made it clear previously and this afternoon that money in the initial stages would have to be ring-fenced and directed so that schools could afford to implement the programme. Obviously that will need to be consolidated; otherwise schools would accelerate every teacher whom the head thought was appropriate as quickly as possible, without any constraint whatever.

The hon. Gentleman should not presume that teachers in schools with high performance would automatically go through the threshold. Teachers who are doing a first-rate job in challenging areas with schools that have enormously challenging intakes may find themselves equally able to access the threshold and the progress that needs to be made. I hope that they do.

As I told the hon. Member for Daventry (Mr. Boswell), we have to get as many teachers as possible moving towards and through the threshold, to accord them the status that they deserve and to reward them for the work that they are doing.

Mr. Gordon Marsden (Blackpool, South): I welcome my right hon. Friend's comprehensive statement. It is important to emphasise that it is comprehensive and not only about pay levels. Will he outline further the measures in the Green Paper for encouraging the collaboration of teachers to raise standards?

Mr. Blunkett: The bonus system will encourage all staff to perform and work together, and the collaborative fund for small schools will complement the work that is already taking place. In education action zones, schools are beginning to collaborate and work co-operatively to develop ways of supporting and helping each other. They are establishing intranet systems, so that they can share information and advice. The more schools work together to lift standards for children rather than compete with each other in a marketplace, the better it will be for our students.

Mr. Desmond Swayne (New Forest, West): When will the Secretary of State realise that my postbag is filled with complaints from head teachers and governing bodies as a consequence of his initiatives? Perhaps the most talented primary head in Hampshire is to be lost to the private sector as a consequence of the Secretary of State's initiatives. He is contributing to this problem, and it is time that he addressed it.

Mr. Blunkett: I am always slightly amused, if not mystified, by Conservative Members who say that good state heads and teachers are moving into the private sector and then criticise the measures that we are taking, which aim to match the standard and the methodology that the private sector claims to be using. Our proposals are aimed at providing good leadership, clear discipline, a decent environment, good equipment, low class sizes, and literacy and numeracy strategies that place emphasis on phonics, grammar and spelling—but they are opposed by Conservative Members.

Jacqui Smith (Redditch): May I reassure my right hon. Friend that the reason I left the teaching profession in May 1997 was not that I was demoralised, but that the country was demoralised by the Conservative Government? Conservative Members have provided good evidence of that this afternoon. One of the most frustrating features of my 11 years in teaching was the reduction in the funding and opportunities for professional development and training, so I welcome my right hon. Friend's announcement on individual learning accounts for teachers. Will he outline how those accounts will be administered, when we can expect them and when teachers can begin to benefit from the effects they will have on professional development and improving standards?

Mr. Blunkett: We are establishing a pilot programme—initially with £5 million—to test the commitment of teachers and non-teaching staff who want to develop their skills and professionalism. That is on top of the resources that we are already allocating to continuing professional development through the standards fund—£60 million this year for literacy and £60 million next year for numeracy—and the additional £230 million for the training of all teachers on information and communication technology. This is a small pilot programme on top of the enormous investment currently going into the system.

Mr. Edward Leigh (Gainsborough): Would it help or hinder a head's leadership role if he were given more freedom of manoeuvre in the hiring and firing of staff?

Mr. Blunkett: No, I am sure it would not.

Helen Jones (Warrington, North): May I welcome the Secretary of State's statement, which goes a long way towards keeping good teachers in the classroom? Will he explain how the system of appraisal will be balanced and fair as between schools and between teachers teaching different types of classes in the same school? One teacher may have a lot of A-level teaching and another may teach slow learners. Will he give the House a few more details on how the outside assessors will work in conjunction with the heads, and how teachers will be able to appeal against their assessment if they are dissatisfied with it?

Mr. Blunkett: The appraisal will be personal to the teacher, so it will appraise the worth, commitment and performance of teachers in the circumstances with which they are faced and according to the work they are doing.

The management performance system, which will itself be monitored, will be crucial to ensuring that appraisal works, is rigorous and is seen to be fair. The assessor's job will be to sample the way in which appraisal is working, and to test the claims of teachers who consider themselves to have been badly treated against an assessment of those teachers' performance.

Ultimately, however, the success of the system will depend on the right management and leadership, so that appraisal is not second-guessed by the assessors, but reviewed and monitored. The system must be transparent, and there must be no discrimination.

Judy Mallaber (Amber Valley): I welcome the proposals, which will enable good classroom teachers to progress. Many teachers are currently being blocked: they cannot progress without taking on extra responsibility.

What rewards or incentives will be available to schools where teachers are shown to have made progress as a team—where all staff members have made a contribution? We should not only reward individuals for their ability to show the quality of their own teaching.

Mr. Blunkett: I have already stressed the need for us to view schools as consisting of a range of men and women who are contributing to an improvement in standards. It is crucial for the future that the professional teacher should be a learning manager, able to direct and use paid staff, volunteers and parents imaginatively, and to bring out the best in the school.

I am hoping that some two thirds of schools will have access to the bonus system, to which we are allocating £60 million each year. Not only will staff be rewarded; we shall give new opportunities to non-teaching staff to display their talent and to develop professionally, which will, I think, be widely welcomed in the profession.

Caroline Flint (Don Valley): I welcome all the measures that my right hon. Friend has announced, which will benefit teachers in terms not just of pay, but of the school environment and the whole school community—teachers and non-teachers.

What will be the structure of the consultation? One of the criticisms made of the last Government was that not enough time was allowed for consultation on important measures. As we are now discussing the need for modern teachers for a new century, and a new professional status for teachers, I should be grateful if my right hon. Friend gave us some idea of how much time will be allowed, so that we can do our job as Members of Parliament and ensure that we hear comments from the grass roots.

Mr. Blunkett: Four months will be allowed for consultation, which can take place until 31 March 1999. The consultation will be open to everyone who wants to contribute to getting the system right. In a week or two, a technical paper will be published to back up the Green Paper. We want to ensure that the details of implementation can be discussed not just with the profession but more widely—with, for instance, governors' representatives and local education authorities—and that everyone with something constructive to say is heard and responded to.

Charlotte Atkins (Staffordshire, Moorlands): I, too, welcome the statement. I particularly welcome the long consultation period, which will enable teachers in the classroom to respond to the proposals.

How does my right hon. Friend intend to recognise, and boost, the vital role of the classroom assistants who help teachers to raise educational standards?

Mr. Blunkett: I have mentioned the 20,000 additional assistants who will be provided over the next three years. I consider that a major contribution to changing the way in which we use the talent that is at our disposal, so that teachers can undertake the key professional tasks for which they have been trained, and can develop constructively over the years.

The use of assistants should be seen as part of the development of their own future, and their own talents. Many are making a substantial contribution, not just to literacy and—in the years to come—numeracy, but to special needs education. Many special needs children would be in a much more difficult position if it were not for the talent of the non-teaching staff who help them so much.

Ms Sally Keeble (Northampton, North): I welcome my right hon. Friend's statement, which I am sure will do much to improve the quality of education in our schools. However, I wonder whether he could say a bit more about how he envisages school governors working with head teachers on staffing structures and the skills mix for the school, and, in particular, how he sees governors going about the appraisal of head teachers, which I imagine will be a difficult task.

Mr. Blunkett: I want to make it absolutely clear that governors play a crucial role. Often, many of them feel overwhelmed with what they are being asked to do, without the necessary advice and support, so putting in place new guidance and support systems for governing bodies, providing a new role for education authorities where schools are local education authority community schools, and making available the resources to Church and foundation schools will all be crucial. We must ensure that, this time, governors are in a position to be able to do the job and to benchmark what is taking place in other schools, so as to learn about the way in which other governing bodies and schools have worked. In that way, governors can both hold the head to account and support the head in the key management job of raising standards.

Mrs. Theresa May (Maidenhead): For clarification of a point raised earlier, will the Secretary of State place it on record unequivocally that he will accept in full and implement the recommendations of the school teachers' review body next year?

Mr. Blunkett: Just to be helpful, the answer to that is: no, I will not, for the very reason that I spelled out earlier. It is an independent review. We recommended that the award should take into account our desire—our will—to carry out the recommendation in full; but—so that we all talk in a sensible, mature fashion—should for some reason the review body come up with an award that was simply unaffordable next year in all circumstances, no one in his right mind would expect us to have committed ourselves on 3 December, before the review body had reported, to implementing that award. And I do know that the hon. Member for Maidenhead (Mrs. May) is in her right mind.

NHS (Wales)

4.18 pm

The Secretary of State for Wales (Mr. Alun Michael): With permission, Madam Speaker, I wish to make a statement on the future of the health service in Wales.

The national health service is one of Labour's proudest creations, especially in Wales. It is a tribute to the people who work in the NHS that it continues to give such a high standard of care and retains such public confidence. People want the NHS to be modernised and strengthened, rather than undermined or replaced.

I will not labour the point, but the NHS in Wales has not been given a fair chance in recent years and 18 years of damage cannot be repaired in 18 months. Lack of coherence in the long-term planning of the health service in Wales has frequently left clinicians, managers and officials trying to make the best of a bad job.

I saw that in my area, where the failure to develop an adequate 10-year plan in the early 1980s was compounded by a lunatic scheme to build a third district general hospital in the Cardiff area. The abandonment of that plan and subsequent piecemeal decisions have been bad for morale and for the aim of providing high-quality health care. I hope that today's statement will lay the foundations for a new partnership approach which strengthens the health service to create one NHS to serve the people of each community in Wales, replacing the two, three or four divided services in some areas.

Standing still is not an option for acute services. The Royal College of Surgeons generally wants specialist services to be centralised in fewer units. Instead of being forced to respond to clinical advice in a piecemeal and expensive way, trusts will be able to organise safe specialist services across different sites cost-effectively. A new, coherent pattern of trusts is needed to replace a situation in which many act as if they are mediaeval city states each competing with the other, rather than organisations which need to be partners with each other in providing health care.

Before we came to power, the then shadow Minister with responsibility for health in Wales pledged that we would cut the number of NHS trusts in order to direct resources away from administration and into patient care. The new configuration of trusts, which I am announcing today, follows 18 months of widespread consultation. May I pay tribute to my hon. Friend the Member for Bridgend (Mr. Griffiths) and the Under-Secretary of State for Wales, my hon. Friend the Member for Cardiff, Central (Mr. Jones) who played such a leading part in those consultations and discussions? Configuration is not an end in itself so I wish to spell out clearly the new shape and direction of the NHS in Wales and the way in which I expect board members and managers to carry out their work in future.

Unproductive competition and piecemeal changes in recent years have led many people to worry about the future of a specific hospital in their area. People rightly identify with "their" hospital and that is to be encouraged by the trusts, not seen as old-fashioned or irrelevant. I can reassure people in every part of Wales that the approach they want, reinforcing the hospitals and institutions they respect and depend upon, will be the way forward for the future.

Wherever possible, we have followed three principles. First, we want to bring together neighbouring trusts which provide acute services in order to eliminate competition, promote collaboration, reduce unnecessary duplication, tackle financial problems and attack waiting lists. Secondly, we want to combine community health and acute services to create a single health service for each area. That will allow clinicians in both sectors to collaborate in providing a seamless service to each patient. I expect that to be of particular benefit to the elderly. Thirdly, wherever possible, the new trust will share the same boundaries as unitary authorities to simplify relations with social services and within the new local health groups we are establishing.

Those principles will better provide for the co-ordination of care for each individual patient, whether on an acute ward or in a community hospital, a nursing home or at home. The changes will remove the problem of bed blocking and release resources for more urgent cases.

Those principles have won general support in Wales, but applying them can be difficult. The distribution of the population, the distribution of hospital services and the geography of Wales are all against us—otherwise it is straightforward! As a result, several themes came up consistently from the consultations. I wish to be absolutely clear on our response to these for the benefit of the public and for the benefit of planners and managers in the health service.

First, reconfiguration in itself must not stop anyone going to a local hospital. As at present, general practitioners will be able to refer patients where they believe it is in their clinical interests to do so. Secondly, mergers will not be takeovers, but the creation of a new partnership. Key services must not be moved to the larger hospital. Community and mental health services must not be ravaged for the benefit of acute services. No hospitals will close as a result of reconfiguration. If health services should change or a hospital should close, such events must occur for objective reasons, not as a result of reconfiguration.

Some people have asked for reconfiguration to be put off for a year or more. That is not an option. We have to keep the pre-election promise of cutting bureaucracy, and create health service structures that will enable the new Assembly to undertake its work of accountability. Reconfiguration is essential if trusts are to plan their services effectively, to deal with the mounting pressures upon them and to make real inroads into waiting lists and cope with current financial pressures.

Reconfiguration must not be just a question of merging organisations or drawing lines on a map. I am prepared to take time to explain the reasons behind each decision and to demonstrate that I have listened to people's concerns. For that reason, I have prepared a much fuller statement explaining my decisions which will be sent to trusts, health authorities, community health councils, local authorities, trade unions and the press. I am placing a copy on the Board this afternoon for every hon. Member with a Welsh constituency and for representatives of the Conservative party. I will also send a letter to trust chairs to pass on to staff to allay concerns.

I have approved the establishment of eight new trusts on 1 April 1999, but I wish first to refer to two areas where I am not going ahead with the proposals on the basis on which consultation took place. I do not intend to

agree to a merger of the Powys Health Care NHS trust with Ceredigion and Mid Wales NHS trust. On each of the visits I made to Powys during my period as a shadow Health Minister for Wales, I was impressed by the degree of local unity, which was reinforced by GPs and nurses during my recent visit to Newtown hospital and by views expressed by local MPs, Labour party members, trade unions, and local councillors as well as the trust itself.

The decision leaves challenges for the Powys trust, and I shall insist that it delivers on the assurances given to the Under-Secretary of State for Wales, my hon. Friend the Member for Cardiff, Central, that the benefits and savings of reconfiguration can be delivered without the need for a merger. I hope that local Members and others will support the board in delivering on those commitments.

I am very much aware of the isolation of Ceredigion's acute services, but those problems would be hidden in a combined trust. I therefore expect the development of close collaboration between Ceredigion and acute services in other trusts. I shall in the near future discuss those issues personally with representatives of the Ceredigion trust and other local representatives.

In Cardiff and the Vale of Glamorgan, the proposal to split the Llandough hospital from community services now managed by Llandough NHS trust is entirely opposed to the principle of creating a single health service for each area. The way forward for Cardiff and the Vale of Glamorgan is the creation of a single integrated trust for the area—excluding Velindre, because of its specialist nature. However, immediately to create one trust would involve an operation of far greater complexity than any of the other mergers.

I have, therefore, reluctantly accepted that a two-stage process is necessary. It is important to give certainty to staff and management by setting a clear time scale for both stages. I intend to merge the University Hospital trust with the Llandough trust—including the community element—and to combine Cardiff Community trust with the University dental hospital. There will be speedy consultation on the proposal, but I am confident that it meets most of the objections to the previous proposal. My intention is that the merger will proceed on 1 April 1999. As soon as possible, I shall make a further announcement on the second stage.

The new NHS trusts to which I am giving the go-ahead are: North West Wales NHS trust; Conwy and Denbighshire NHS trust; North East Wales NHS trust; Carmarthenshire NHS trust; Swansea NHS trust; Bro Morgannwg NHS trust; Pontypridd and Rhondda NHS trust; and Gwent Healthcare NHS trust.

I intend to take a personal interest in the way in which the changes are made, and I will strengthen the role of community health councils which, with local authorities and local health groups, will help to create an effective and inclusive structure for the NHS in Wales.

Major benefits are available, for example, by bringing the Gwent health authority's three trusts together. Moreover, the merger in Gwent—unlike the merger in Cardiff—can be achieved immediately, as it is a far less complex operation. I am convinced that the future of Nevill Hall hospital is secure because of its key strategic position, but appreciate the fears that have been expressed in north Gwent.

I am requiring the new trust to state clearly how the pattern of services will be developed across hospitals in Gwent. Local authorities, hon. Members, and community health councils and the new local health groups will have a chance to comment, and I hope that that transparency will ensure that the reconfiguration is seen as a new partnership in Gwent and not as a takeover of one hospital by another.

The same principles will be emphasised with every one of the new trusts. We are interested not only in the pattern of services, but in the nature of management and the way in which services are delivered. For example, I have more reason than most people to understand the local importance of Llandudno hospital, which is where, after an operation in 1950, I left my tonsils. Community links and expectations might suggest that Llandudno hospital should be linked to Ysbyty Gwynedd, but doing so would fail to provide the critical mass of acute services in north-west Wales that are essential to effective local care.

Llandudno will stay with Ysbyty Gwynedd, but the way in which it provides its services must respect local expectations in Llandudno and the surrounding area. I am therefore requiring Gwynedd Hospital NHS trust to consult Glan Clwyd District General Hospital NHS trust and other local partners, including the local authority and local health group, and report back to me on how those matters can be reconciled.

Mechanisms such as the one that I have proposed are the way in which we can ensure that there is proper co-operation in the best interests of local areas, in which the principles I have stated are inevitably in conflict with each other.

Similarly, the merger of the Llanelli Dinefwr and Carmarthen trusts is intended to improve patient care across the county. However, I understand also the fears in the Llanelli area and the strength of support for a hospital that local people have supported enormously strongly over many years.

I am determined that reconfiguration will not lead to the closure or downgrading of Prince Philip hospital. The hospital will not lose its accident and emergency unit or its magnetic resonance imaging scanner. I am requiring the new trust to state how it will meet those requirements, and the views of local hon. Members and other local partners will be sought to ensure that our intention becomes a reality.

Finally, I am aware of the concern that changes in patient flows as a result of creating a single new trust could damage services in Swansea. I shall hold Iechyd Morgannwg health authority to its pledge not to allow patient flows to change because of reconfiguration. My officials will have the clear task of working with health authorities and the new trusts in as transparent a way as possible towards an improved style and quality of management in the new structures directed entirely at providing better patient care and respecting the needs of local communities.

It is central to the role of the new trusts that they should make themselves accessible to their communities and engage them in their decision making and planning, as our NHS White Paper requires. That is the only way in which to reassure communities about the impact of reconfiguration and to reap the benefit of better patient care that the changes are intended to achieve.

Mr. Nigel Evans (Ribble Valley): I welcome the right hon. Gentleman to his post. I believe that this is his first statement as Secretary of State for Wales. I am grateful

[Mr. Nigel Evans]

to him for giving me a copy of his statement earlier this afternoon so that I had an opportunity to read it. He may have other matters to divert his attention these days, particularly the battle with the hon. Member for Cardiff, West (Mr. Morgan), and his hopes to be parachuted into a position in the Welsh Assembly, but I hope that he will be able to get his head out of the clouds for long enough to give sufficient attention to those issues that need it, including the national health service.

We fully appreciate the fact that the health service in Wales needs special extra attention. The consultation document "Better Health, Better Wales" mentions on page 5 that health service provision and the health of people in Wales is poorer than in England and the rest of the European Community. There is no reason why that should be allowed to continue.

I applaud the work of the nurses, doctors and support services in the hospitals in Wales. They do a superb job and deserve our recognition, not just today but every day.

The people of Wales will want to know how the reconfiguration of trusts will improve services. Will it reduce waiting lists and waiting times? I am sure that the Secretary of State saw the *Western Mail* on 12 November, which said that more people were waiting 12 months and 18 months for operations in Wales. That is unacceptable and we need to ensure great improvements. Many people believe that there is more fiddling with waiting list figures than Stephane Grappelli has ever seen. The *Western Mail* article features the comments of Jan Williams, the chairman of the confederation, who welcomes extra money to tackle waiting lists, but believes that sustained improvements will need increased funding on a recurring basis. Can we have assurances that we shall get such continued extra money for the health service?

I am concerned about the comments of Dr. Dewi Evans of Singleton and Morriston hospitals on the scandal of youngsters having to wait for operations in certain specialties in Wales. Will the reconfiguration of the trusts ensure an improvement in the health service, particularly for our young people?

The Government have talked about the reconfiguration resulting in savings. Initially a figure of £10 million was mentioned, although that has changed to £7 million recently. Those who work in the NHS have grave suspicions that the savings cannot come simply from the reconfiguration and that the extra money will come from front-line services. We are concerned that if the savings cannot be made as the Secretary of State has outlined, he will have to turn his attention elsewhere in the NHS to secure them. We want to ensure that the front-line services are improved, not damaged, by the changes.

The Secretary of State has also said that he has not acted on all the recommendations initially, with particular reference to Powys and Ceredigion, which I applaud. When I was in Powys, I too listened to the concerns of many members of the public—the people who are on the receiving end of the health service in Wales. People were worried that the acute service would completely swamp the community-based treatment that they received. I am delighted that the right hon. Gentleman has listened to their concerns.

Yesterday, a statement was made on the millennium bug problem. The right hon. Gentleman did not mention it today, but as the changes in the health service will take place in 1999—exactly when the millennium bug might affect hospitals that have not taken proper action—will he assure us that the problem will continue to be treated as a priority? The Audit Commission reported earlier this year that the treatment of the problem in the NHS was extremely patchy.

Will the right hon. Gentleman assure the House that people who live in rural areas will continue to receive the community services on which they have come to rely? He will appreciate that those people do not have adequate public transport to go to larger hospitals many miles away.

Will the Secretary of State reassure us that, in the reconfiguration, waiting list lengths will be tackled? I understand what he says about the geographical problem in Wales, but we must not allow those hospitals that he says will not be closed to be generally downgraded; the reconfiguration must not be used as an excuse to downgrade services. Will he assure us that there will be no downgrading of provision in, for example, the Nevill Hall hospital, which he mentioned?

The right hon. Gentleman referred to Swansea. That is where I grew up and where my family live, so I have particular reason to attend to what happens to the hospitals there. I remember that, when the emergency service in Singleton hospital was threatened with closure, there was an almighty outcry, even though extra provision was being made elsewhere. Will he guarantee that, even with the flows of patients between various hospitals in the area, that service will not be damaged?

If the Government paid as much attention to the real doctors in Wales as they do to their spin doctors—on whom they spend twice as much money as the Conservative Government did—the services would be much better in Wales. The right hon. Gentleman knows that there will be elections in Wales next year. Many people will wonder why, as it is only a few months until the Assembly takes responsibility for the health service in Wales, he did not delay his decisions on the reconfiguration and let the Assembly take them. The Assembly may want to look again at what he has announced today and make further changes, and that could be extremely expensive. He should remember that, in the elections to the Assembly, the Government will be judged not on their words, but on their deeds.

Mr. Michael: There was a good deal of knockabout in that contribution. The hon. Gentleman has a cheek to talk about parachutes. I have represented a Welsh constituency for 11 years and, before I took up other responsibilities, I spent four years as shadow Health Minister for Wales. I have been immersed in the politics of the Labour party and Wales for more than 30 years, but he had to go to Ribble Valley to win a seat in the House. I take it that he left his parachute outside the Chamber before he came in and had the cheek, as someone who represents an English constituency, to talk about the health service in Wales.

I suppose that we should take his contribution as a belated apology for the damage that the Conservative party did over 18 years to the health service in Wales. His recognition of the importance of nurses is also belated. I speak for all Labour Members in saying that we value the nurses, doctors and the other health service staff who have a variety of functions; they all contribute enormously to the quality of health care.

It is important that we do not become frozen in immobility because of the Assembly. I believe that the leader of Plaid Cymru, the right hon. Member for Caernarfon (Mr. Wigley), agrees with that. We must lay down foundations and make sure that structures are in place so that the Assembly will be able to call the health service to account, to examine the management of the health service and to look at the outcomes and the outputs that are important to the people whom we represent.

The proposals will help to reduce waiting lists and waiting times, and the hon. Member for Ribble Valley (Mr. Evans) should recognise that waiting lists dropped by 1,700 last month. The Under-Secretary of State for Wales, my hon. Friend the Member for Cardiff, Central, will have more to say next week to embarrass the hon. Gentleman further. The separation of elective and emergency work within the new trusts will help to tackle waiting lists.

The hon. Member for Ribble Valley was worried about the extent of savings, but the Pembroke-Derwen merger made continuing savings of £750,000 per annum—well above the estimates given of resultant savings. We can have some confidence in the estimates. I will talk to people who have concerns about achieving the savings and about the way in which they are fed back into health care. The hon. Gentleman seems to get most of his information from the *Western Mail*, and I can tell him that I will listen to those who work in the health service, including the representatives of Unison. They have genuine concerns about these matters—they do not want to score points in this Chamber.

The hon. Member wanted to know about the millennium bug. He must have been scraping the bottom of the barrel for something to say at that point. Yes, the changes will take place on 1 April 1999, and we are making sure that the millennium bug will not damage the emergency services and health services generally in Wales. We give priority to that matter. I have been a member of the Cabinet Committee that is emphasising the need for every organisation to be aware of the issue. If new IT systems are needed as part of the reconfiguration, they will be millennium compliant.

The hon. Member asked about rural areas, and I have recognised the need for flexibility. That is precisely the reason for the decision in Powys, and why I have recognised that the situation in Ceredigion is difficult, but must be addressed. Problems of rurality, sparsity, mountains and other matters cause problems in the provision of services in virtually every part of Wales. That is one of the issues that we are trying to address through the flexibility provided by the reconfiguration. I am glad that the hon. Gentleman noticed the geographical problems of Wales. I am not sure how long it took him to come to that conclusion.

I emphasised in the statement the answers to a number of questions that the hon. Member for Ribble Valley asked, such as the future of Nevill Hall, which I said should not be downgraded. I made it clear that in each of the trusts, there should be no asset-stripping of one hospital by another or any undermining of confidence, so that services are available where people need them. The ability to maintain those local services and different centres of provision will be strengthened, not weakened, by the way in which we have undertaken the reconfiguration. I can assure the hon. Gentleman that it is all good news and that he can leave the Chamber cheering at the news that he has been given.

Mr. Win Griffiths (Bridgend): First, I pay tribute to the civil servants in the Welsh Office, and to the managers, medical staff and others at all levels in the health service in Wales for the immense efforts that they have put into the reconfiguration process, which has been incredibly important. It is estimated that it will save between £7 million and £10 million by the end of this Parliament. Given the small adjustments that have been made in individual proposals, will there be any effect on those savings? My trust was confident that it could do better in savings terms than the figures in the proposals.

It is very important that we get the message across that permanent savings from administration will go directly to patient care. Will my right hon. Friend confirm and underline that the future of hospital and community services in the health service in Wales will, in the near future, lie in the hands of local health groups, doctors, nurses, midwives and local authority representatives, who will have the job of seeing how hospital services fit into the new health service in Wales?

Mr. Michael: I join my hon. Friend in paying tribute to those people who are going through a difficult process, and who worked closely with him during his period as the Minister with responsibility for health in Wales. I repeat my tribute to my hon. Friend for the hard work that he undertook in difficult circumstances. It is always more difficult to start when one is clearing up a mess than if one is starting from a strong position. Frankly, the former is where we found ourselves 18 months ago.

I am confident that the adjustments will not cause a problem in relation to savings. In Powys, the health authority has given the assurance that the necessary savings can be effected in ways that it is happy to achieve itself. I am certain that the dismemberment of the Llandough trust in order to put it back together again in a couple of years as part of stage 2 would have been an expensive way of doing a job badly. I am confident that the savings will not be any lower as a result of the decisions on Cardiff and the Vale of Glamorgan.

We will look specifically at Ceredigion in light of our decision, but I hope that my intention can be carried through and that we can strengthen partnership and co-operation between Ceredigion and other trusts to make sure that difficulties are not caused. I underline the point that savings are to be diverted back into health care, and I am sure that all my hon. Friends want to see that happen.

Finally, I can give my hon. Friend the answer he is looking for in relation to community services. It is very important that there is a proper balance between hospital and community services, which must be integrated and complementary. My hon. Friend is right to stress that the future is in the hands of local health groups, which will bring a new degree of accountability at the most local level. That matches the developments that will take place in the coming year, when the overall strategic accountability will be in the hands of the new elected Assembly for Wales.

Mr. Lembit Öpik (Montgomeryshire): May I offer the Secretary of State and his Minister my profound gratitude

[Mr. Lembit Öpik]

and that of my hon. Friend the Member for Brecon and Radnorshire (Mr. Livsey) and the people of Powys at today's decision? The people of Powys have worked so hard to protect the continued existence of Powys health trust, and have won a common-sense victory today. Does the right hon. Gentleman recognise that this will be regarded as an indication that, for once at least, Ministers have been willing to listen to the concerns of the public and to act accordingly—something that is extremely welcome? That will bring great cause for celebration to the professionals working in health trusts in Powys.

Does the Secretary of State agree that while this decision may not please everyone in Wales, few in Powys will be disappointed? Does he agree that it was somewhat mean-spirited of the hon. Member for Ribble Valley (Mr. Evans) to seek the negatives and to make irrelevant party political points at a time when it is important for us to recognise that the decisions have been altered according to the consultation process that involved effort on both sides? That process has led ultimately to a pleasing result in terms of the modification of the plans.

The Secretary of State mentioned the need for Powys to achieve savings, and that has been mentioned on a number of occasions. Will he accept my assurance that I and my hon. Friend the Member for Brecon and Radnorshire will honour the commitment to work with Powys health trust to ensure that those savings are found—recognising, none the less, that the process presents us with a further challenge that we must not avoid?

More broadly, there will be debates and concerns in other parts of Wales, especially about the financial savings that must be found. Does the Secretary of State agree none the less that the Powys decision should be regarded as an example of what can be done when parties listen and work together—*[Interruption.]*—when the public are genuinely consulted and, perhaps most importantly, when the public interest is put above party political concerns, in this case leading to the maintenance of a health service that is loved by the people of Powys and highly respected by all those who have cause to use it?

Mr. Michael: I welcome the hon. Gentleman's remarks. To those Conservative Members who mocked some of his points, let me say that I welcome his reasonable approach. This is the new politics: to disagree when there are things to disagree about, but to agree when we can agree. In particular, I would stress the importance of one thing that he said: it is a matter of integrity that he acknowledged the fact that there are difficult decisions for Powys Health Care trust to take in order to make the savings that will be necessary for it to deliver on its promises.

I have heard Labour party and trade union voices arguing in the same direction as the hon. Gentleman and the hon. Member for Brecon and Radnorshire (Mr. Livsey). I look to Members of Parliament, local authorities, trade union representatives and others to help to deliver on the promises that have been made. I am convinced that, with a reasonable and co-operative approach, we can achieve an outcome that is satisfactory for everybody.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I have given some leeway to Front Benchers and to the former Health Minister in Wales, but I now appeal for shorter questions and answers, as we have other important business to cover.

Mr. Alan Williams (Swansea, West): I accept entirely the logic of the proposals for Swansea, which reflect the consultation that was held in the area. Is my right hon. Friend aware that the new trust will start with an enormous problem, with the overhanging shadow of the £8 million debt that Morriston will bring? If the new trust is not to start in an atmosphere of cutting and holding back on developments, we must deal with the debt. Recognising that it should not have been built up in the first place, will he consider writing it off?

Mr. Michael: There are proposals to deal with the problem to some extent. A recovery programme is being set up, and my right hon. Friend makes a reasonable point when he says that the debt should not have been built up in the first place. The reconfiguration will help the process, but I recognise that the problem to which he alludes is extremely difficult. We will be conscious of it when we consider how the new trust is to develop its work.

Mr. Cynog Dafis (Ceredigion): There is widespread cynicism in Wales about the reconfiguration exercise. People think that it has more to do with a pre-election undertaking than with actual need and the provision of a more efficient health care system. There will be widespread dismay at the failure to take the opportunities for improvements in health care delivery in mid-Wales—especially in relation to the integration of services—that were carefully described in the consultation process.

Will the Secretary of State guarantee that the development of services and of clinical excellence that has taken place in Ceredigion, and particularly in Bronglais general hospital, will be able to continue? Does he accept that accessibility is also vital, and that the royal colleges need to—and are in fact beginning to—understand that? May I warn him that any diminution in the status of Bronglais hospital in Aberystwyth or reduction in its range of services and specialties would evoke a furious public reaction in the area, compared with which what we have witnessed in Powys would pale into insignificance?

Mr. Michael: I agree that there is widespread cynicism in Wales. That is precisely why, when I took up my post, I delayed the announcement of the reconfiguration in order to examine the proposals and ensure that I would not be announcing something that I could not put my hand on my heart and say would improve patient care. That is my objective in today's announcement. That is precisely why the announcement is about not only lines on the map, but the way in which the new arrangements will be put into practice.

I would have hoped that the way in which I made the announcement would have set some of the hon. Gentleman's doubts to rest. He asks whether I can

guarantee that the development of clinical excellence in Bronglais will continue. The whole point of the way in which I referred to Bronglais and services in Ceredigion is that I recognise that there is a specific problem there. That problem would not have been helped at all by simply merging it with another set of problems at Powys Health Care trust: that would have been running away from the problem.

I fully intend to address the problem, and I will be quite happy to talk to the hon. Gentleman and to listen to any constructive suggestions about the future of the health service in his area. The reference to co-operation and partnership with other adjoining trusts is precisely about trying to find a formula that will protect the future of Bronglais.

I understand the hon. Gentleman's point about accessibility. It is not an easy situation to protect, but I am determined to do so, and I look forward to working with him, with those who work in the trusts and with other interested parties in the area. It is not my intention that there should be any diminution in the standard of care available.

Mr. Denzil Davies (Llanelli): Is my right hon. Friend aware that there will be considerable anger in Llanelli at the decision to abolish the Llanelli Dinefwr hospital trust and that the anger will be compounded by the fact that the decision was taken by a Labour Secretary of State? Is he further aware that there will be widespread cynicism about the consultation process, because all groups in my constituency—health professionals and others—were totally opposed to the Welsh Office plans? Is he finally aware that all his fine words about not downgrading hospitals will carry little credibility because there is real concern, as a result of the decision that he has taken, that Prince Philip hospital in Llanelli will be downgraded and we will lose our medical services?

Mr. Michael: I know and understand my right hon. Friend's passion for the health services in his area. I hope that he will help to ensure that nobody pursues the approach of either cynicism or promoting the belief that there is any threat to Prince Philip hospital. I have made it clear that that is not the basis on which the reconfiguration is proceeding. I have been absolutely explicit—I hope that he will pass my words on to those of his constituents who have expressed concerns—about the requirement on the trust, the board and officials at the Welsh Office to ensure that none of the dangers that he fears will come about.

I understand the fears and cynicism that have arisen from the way in which health service decisions have been taken over the past 20 years. Many of us have had worries about our local services. The whole point of making my statement in a clear and considered way, measuring each word, is to ensure that the changes that I have to accept as necessary to concentrate on health care are implemented in such a way that high-quality care is provided, but with a proper regard for factors such as the affection of people in Llanelli for their own hospital. I hope that that offers the reassurance that my right hon. Friend seeks.

Mr. Rhodri Morgan (Cardiff, West): I agree with 80 per cent. of the statement, but I want to ask my right hon. Friend about the two-stage reorganisation of the trusts in Cardiff and the Vale of Glamorgan. We heard enough about two-stage reorganisation yesterday to last us a lifetime, although I understand that today's announcement does not involve any grouse moors or the resignation of any Tory Front-Bench spokesmen, however popular that might be in Wales.

How long does my right hon. Friend expect the period to be between the completion of stage one reform, with the two mergers that he has announced today, and the ultimate merger of the two newly merged trusts into one mega-trust covering the whole of Cardiff and the Vale of Glamorgan? How high will morale be among the top management, the clinicians and everybody working in the health service in the Cardiff and Vale of Glamorgan area when they work for two organisations with such a limited shelf life?

Mr. Michael: I accept that a two-stage reform is not ideal, but nothing else was on the cards from the beginning of the consultation, as my hon. Friend knows. I hope that not only will we have no grouse moors, but no grouses at the end of the process. I have made our direction clear, following much uncertainty in the health service in Cardiff and the Vale of Glamorgan. People suspected that we would have stage one and that stage two would never happen. I am determined that we shall have a short first phase, leading to the completion of the job as soon as possible. I will consult further on how quickly that can be done, so that a time scale can be produced that gives some certainty to clinicians and staff in the area.

It is only fair to point out that the complexities in the area, of which my hon. Friend is aware, include the moving of the accident and emergency unit from Cardiff Royal infirmary to the University hospital of Wales and a variety of other movements in the acute services in the area. We do not intend to dismember the Llandough hospital from community services, thus producing a mish-mash and pretending that that is a second stage towards a single trust. Instead, we will merge existing arrangements in a manageable first stage, which will quickly lead to a sensible second stage and the degree of certainty that my hon. Friend rightly suggests should be achieved.

Mr. Don Touhig (Islwyn): I welcome my right hon. Friend's statement as far as Gwent is concerned, because I believe that the single trust is the proper solution. However, I know that my hon. Friends have some concerns about that and I am sure that they will express them to him. Will he confirm that his decision will provide us with an opportunity in Gwent to shift resources from bureaucracy to patient care and how does he intend to ensure that that happens?

Mr. Michael: My hon. Friend is right: the purpose is to shift resources from bureaucracy into patient care by having only one level of bureaucracy and ensuring that services are available to people in appropriate and convenient locations. We wish to strengthen services in the northern half of Gwent, about which there has been some concern, and we want to ensure the safety and long-term security of Nevill Hall hospital. I am certain that the reconfiguration can achieve the improvement in patient care in Gwent for which my hon. Friend hopes.

Mr. Paul Flynn (Newport, West): I thank my right hon. Friend for his statement and I agree that the best

[Mr. Paul Flynn]

solution is to concentrate the strengths of the services into a single trust. All the alternatives would have meant that administrators would have been appointed unnecessarily, and bureaucracy would have been doubled or even trebled at the expense of patient care by doctors and nurses. Given what my right hon. Friend said about the problems in the north of the county, may I remind him that the area of Wales with the worst health record is a ward in Newport? The solution will help all parts of Gwent to save money and enjoy a stronger health service.

Mr. Michael: I am grateful to my hon. Friend for those remarks. He is right to suggest that we should focus on seeking to improve health care where it is worst, including wards in his constituency and areas in north Gwent. The purpose of the reforms is to ensure that everyone, wherever they live, has access to high-quality health care from acute and community services and from the complementary services of local authorities.

Mr. Alan W. Williams (East Carmarthen and Dinefwr): I wish to express my disappointment with the statement as it affects my constituency. The policy of forced mergers of trusts that my right hon. Friend has inherited from his predecessor and my hon. Friend the Member for Bridgend (Mr. Griffiths) is mistaken, because mergers should be voluntary. What reassurance can my right hon. Friend provide for my constituents and people in Llanelli that services will be available in both areas and will not be affected by rationalisation?

Mr. Michael: I can understand my hon. Friend's disappointment, but I am not sure about the concept of voluntary mergers because that might mean leaving the management of trusts that may have been established on an unsatisfactory basis to choose whether to merge. The overriding consideration must be the need to provide the best quality of patient care, as I know my hon. Friend agrees. I am happy to give the reassurance he seeks that the quality and choice of care in his part of the new county area will not be downgraded, and I shall remind those who will run the trusts of the need to ensure that there is no asset stripping of one hospital for another. That applies equally to both sides of the combined trust.

Mr. Llew Smith (Blaenau Gwent): While I welcome my right hon. Friend's commitment to Nevill Hall hospital, people in Blaenau Gwent will still be angry about the statement. My right hon. Friend quoted the Royal College of Surgeons, but if he had quoted the local authorities, such as Blaenau Gwent, Monmouthshire and, even, Newport he would have found opposition to a single trust for the county of Gwent. The vast majority of general practitioners in Gwent are also opposed. The community of Blaenau Gwent has some of the worst health problems in the United Kingdom, including heart and respiratory disease and cancers, and the people are terrified that they will again have an authority that will be unable to relate to and respond to their health problems.

Mr. Michael: I understand the concerns that my hon. Friend presents on behalf of his constituents. I accept that different voices have different views, but I mentioned the Royal College of Surgeons because it has argued for larger concentrations of acute services, which can cause problems for more localised services, unless they are a part of a combination. I have proceeded with the interests of his constituents and the services at Nevill Hall hospital in mind. I accept my hon. Friend's concerns for his local area, but I believe that the creation of the local health groups and a stronger voice for community health councils will be a way in which to achieve our intentions. I am happy to discuss with my hon. Friend and his colleagues the changes to community health councils, because they will be important to our scheme.

Mr. Huw Edwards (Monmouth): I remind my right hon. Friend that, when the previous Government introduced the trust system, they included no consultation whatever. The Government should take some credit for having a consultation process on this occasion. My right hon. Friend will know that I campaigned with my hon. Friend the Member for Blaenau Gwent (Mr. Smith) for a separate trust for north Gwent and I must express the disappointment of campaigners that my right hon. Friend has decided not to implement that. Will he give us an assurance that Nevill Hall hospital will be maintained as a district general hospital, that there will be no drift of resources to south Gwent and that the Government's commitment to combat social inequalities in health will work specifically in the interests of the people of north Gwent?

Mr. Michael: I am happy to give those assurances. Nevill Hall will continue as a district general hospital. As I indicated earlier, there must not be an exercise in asset stripping. My hon. Friend is right to point out that there was no consultation when the previous group of trusts was created, but we have listened, and I would be more likely to share the concerns expressed by some of his constituents if the trusts were to be of the type set up by the previous Government. We have made it clear that the trusts must be totally different, and must involve partnership and co-operation. They must provide an integrated health service in which there is no question of hospitals or acute services winning over community services, but, instead, complementing each other. I shall be happy to work through those issues with my hon. Friend and his colleagues as time goes by.

Business of the House

5.10 pm

The President of the Council and Leader of the House of Commons (Mrs. Margaret Beckett): With permission, Madam Speaker, I shall make a statement on the business of the House. The business for next week is as follows:

MONDAY 7 DECEMBER—Second Reading of the Water Industry Bill.

TUESDAY 8 DECEMBER—Second Reading of the Road Traffic (NHS Charges) Bill.

WEDNESDAY 9 DECEMBER—Until 2 o'clock, there will be debates on the motion for the Adjournment of the House.

Opposition Day [1st Allotted Day].

Until about 7 o'clock there will be a debate on decommissioning and the release of prisoners, followed by a debate on tax. Both debates will arise on Opposition motions.

Motion on section 155 of the Finance Act 1998.

THURSDAY 10 DECEMBER—Estimates Day [1st Allotted Day].

There will be a debate on prison sentences and alternatives to prison sentences, followed by a debate on new deal pathfinders and pathways into work for lone parents. Details will be given in the *Official Report*.

At 10 o'clock the House will be asked to agree the winter supplementary estimates, the votes on account and supplementary defence votes A.

FRIDAY 11 DECEMBER—The House will not be sitting.

The provisional business for the following week will be as follows:

MONDAY 14 DECEMBER—Second Reading of the Greater London Authority Bill.

TUESDAY 15 DECEMBER—Until 7 o'clock, conclusion of Second Reading of the Greater London Authority Bill,

Debate on the Common Fisheries Policy on a Government motion

Proceedings on the Consolidated Fund Bill.

WEDNESDAY 16 DECEMBER—Until 2 o'clock, there will be debates on the motion for the Adjournment of the House, which will include the usual three-hour pre-recess debate.

Debate on the modernisation of the House of Commons.

THURSDAY 17 DECEMBER—Second Reading of the Scottish Enterprise Bill.

FRIDAY 18 DECEMBER—The House will not be sitting.

Subject to the progress of business, it will be proposed that the House will rise for the Christmas recess from Thursday 17 December until Monday 11 January 1999.

[Thursday 10 December:

Estimates Day [1st Allotted Day]—Class IV, Votes 1 and 2: Home Office administration, police, probation, immigration and other services, England and Wales, and prisons, England and Wales, in so far as they relate to prison sentences and alternatives to prison sentences. Relevant reports: the Third Report from the Home Affairs Committee, Session 1997-98, on Alternatives to Prison Sentences (HC 486).

The Department for Education and Employment and Office for Standards in Education Departmental Report: The Government's Expenditure Plans 1998–99 (Cm 3910).

The Home Office Annual Report 1998 (Cm 3908).

Class 1, Votes 1 and 3: Department for Education and Employment: programmes and central services and Employment Service and Class X11: Department of Social Security, in so far as they relate to New Deal Pathfinders and Pathways into Work for Lone Parents. Relevant Reports: the Seventh Report from the Education and Employment Committee, Session 1997–98, Pathways into Work for Lone Parents (HC 646); and the Government's response thereto (HC 1122); the Eighth Report from the Education and Employment Committee, Session 1997-98, New Deal Pathfinders (HC 1059)and the Government's response thereto (HC 1123)

Sir George Young (North–West Hampshire): The House is grateful for the business and for the dates of the Christmas recess, which are a sensible response to our suggestion that there was no point in bringing the House back after a non-sitting Friday for one or two days during Christmas week when we want to be busy in our constituencies.

On the Greater London Authority Bill, I am grateful for the right hon. Lady's response to my suggestion of allowing extra time for debate. Will the House be able to sit until midnight on that day so that debate is not duly constrained? May I repeat my request for sections of the Bill to be taken on the Floor of the House as they affect the constitution?

The right hon. Lady trailed a debate on modernisation of the House, not on a Thursday, but on a Wednesday. Can she confirm that the report on how we manage Thursdays will be published in good time for that debate? Does she recognise that Members have strong and conflicting views on that matter? Can she confirm that Members will be able to vote for a range of options, including the status quo, on a free vote?

On Monday, will the Prime Minister be making a statement on the Anglo-French summit, and will he be able to explain his increasingly isolationist language on European matters? When we debate tax on Wednesday, will the Chancellor try to make good his disappointing performance on the "Today" programme on tax harmonisation? Will he be able to tell us which United Kingdom businesses are being targeted by the working group on harmful competition, which is chaired by the Financial Secretary? Will the Chancellor explain what he meant when he signed a code to tackle harmful tax competition? Will he give the same messages in the UK that he gives when he is in Europe?

Mrs. Beckett: First, I can assure the right hon. Gentleman that we intend to suspend the rule and to allow debate until midnight on the first day of consideration on the Greater London Authority Bill. We hope that debate on the second day will conclude at around 7 o'clock.

Secondly, the right hon. Gentleman asked whether we would take sections of that Bill on the Floor of the House. We can discuss that through the usual channels, and I understand both the concerns of the right hon. Gentleman and his hon. Friends, and their anxiety to scrutinise the Bill thoroughly.

[Mrs. Beckett]

The right hon. Gentleman asked whether I expected the report on modernisation of the House of Commons to be published in time for the debate. I expect it to be published on Monday, leaving many days in which Members may consider it. He also asked about voting. It would be wrong of me to attempt to comment on how we might handle decisions when the report is not yet before the House. I am sure that the matter can be discussed through the usual channels, although if hon. Members wish to vote for the status quo, all that is required is that they reject any proposal for change. There will certainly be a free vote.

The right hon. Gentleman asked whether my right hon. Friend the Prime Minister would make a statement on the summit. I expect that my right hon. Friend will do so. As we have made clear, informal councils or meetings might not be followed by a statement, but we certainly expect the Prime Minister to make a statement after the summit. With regard to the observations of the right hon. Member for North-West Hampshire (Sir George Young) on the Prime Minister's stand, I feel that the right hon. Gentleman is drifting back in time. The Government are not isolationist; on the contrary, we seek, successfully, to put together alliances across the European Union, which is one reason why we—unlike the previous Government—were successful in lifting the beef ban, a lifting long promised by the Conservatives, but never delivered.

Finally, the right hon. Gentleman referred to my right hon. Friend the Chancellor of the Exchequer and the finance debate. I am sure that my right hon. Friend will speak about some of the issues that the right hon. Gentleman has raised. As for the targeting of UK businesses in any proposal under discussion, the right hon. Gentleman entirely misunderstands that matter. We have had many complaints—I am sure that the previous Government had many such complaints in their day—about unfair taxes and concessions elsewhere. United Kingdom businesses have complained to us, and my hon. Friend the Financial Secretary is addressing those complaints.

Mr. Tony Benn (Chesterfield): Have the Government given any consideration whatever to making a statement about the information that came out casually yesterday that there has been a major change in Government policy towards the second Chamber? The House has been completely bypassed. Was the matter discussed by the consultative committee on which the leader of the Liberal Democrats sits? Is Lord Cranborne now an unofficial member of that committee, as part of the patriotic alliance? Will the hereditary peers who are elected be elected by proportional representation on a closed-list system, or will they be elected in the traditional hereditary manner of first past the bedpost?

Mrs. Beckett: As my right hon. Friend will be well aware, the Leader of the Opposition chose yesterday to publicise discussions that had been undertaken. If the matter was put casually before the House, that was not the doing of my right hon. Friend the Prime Minister. Indeed, had agreement been reached in the ordinary and customary way, it would have been properly announced to the House when we discussed the way in which the Bill on the Lords would be handled. The right hon. Member for Richmond, Yorks (Mr. Hague) chose instead to publicise the matter before any formal announcement had been made about the handling of that Bill. That is a matter for him, but given the way that Lords are leaping off the Tory Front Bench even as we speak, I imagine that he regrets his handling of it.

My right hon. Friend also asked me about the general issue of the second Chamber and how widely the matter was discussed. I understand that it was not widely discussed because the relevant discussions were continuing. Attempts were being made to reach agreement so that the matter could be handled by consensus and on common ground, according to how the Government had said from the outset that they wished to handle it, if and where they could. That has been the Government's position from the beginning, but it was clearly not the position at least of some parts of the Opposition, and it is still not their position.

As for whether Lord Cranborne is an unofficial member of any coalition, I am not sure where he stands at present. Should the agreement be put in place, how the hereditary peers will choose who should continue in the transitional House until all hereditary peers go—the Government have said from the outset that that is the intention at the conclusion of the legislation—is, I am happy say, for another place to decide.

Mr. Paul Tyler (North Cornwall): I have a more serious question about the events of the past 24 hours. Does the Leader of the House acknowledge that the sensible management of the business of Parliament and, in particular, of this House, depends to a considerable degree on mutual trust and confidence across parties? Does she agree that that will be especially true not only for the business that she has announced for the next few weeks, but in the new year? Has the leadership of the Conservative party assured her that that mutual trust can be restored and that, when those who appear to be speaking on behalf of the party—appropriate spokesmen—enter into an agreement in good faith, they will stand by it? Has she received assurances to the effect that the Conservative party will now agree in good faith to the assurances that it has given?

Mrs. Beckett: I share the hon. Gentleman's view that mutual trust and confidence are important in this place and that, if assurances appear to be given but the situation then changes, it shakes that confidence. However, I cannot tell the hon. Gentleman that I have received assurances of the sort that he suggests. I do not want to rub salt into any wounds, but it seems to me that such is the confusion that exists on the Opposition Benches that no one is in a position to give an assurance.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): I know that my right hon. Friend is highly efficient, so will she use the extra time that she will undoubtedly find in the legislative process, as a result of those interesting and rapidly arrived at decisions, to establish a strategic rail authority? That would not only be widely welcomed by all our constituents, but would produce positive results for all the United Kingdom.

Mrs. Beckett: As my hon. Friend will appreciate and as I said a moment ago, there is such confusion that it is

a little hard to know what will happen. If, as seems possible, that agreement is adhered to, in particular in another place, we may well be able to introduce the strategic rail authority Bill, which will give not only my hon. Friend but many hon. Members considerable pleasure.

Mr. Oliver Letwin (West Dorset): Further to the question of my right hon. Friend the Member for North-West Hampshire (Sir G. Young), can the Leader of the House tell us whether, when the Chancellor speaks to the House about taxation on Wednesday, he can explain why the Financial Secretary told European Standing Committee B that she believed that our "domestic tax system is fully consistent with the principles of the code"—[*Official Report, European Standing Committee B, 26 November 1997; c.* 2.] that the committee that she has been chairing is studying, when it turns out that 10 of our domestic tax measures will have to be changed?

Mrs. Beckett: I am not familiar with the issue that the hon. Gentleman raises. I know that my hon. Friend the Financial Secretary is seeking the best possible outcome for the United Kingdom from the discussions on the tax code. No doubt, the hon. Gentleman will raise that matter in the debate next week.

Mr. Harry Cohen (Leyton and Wanstead): Will my right hon. Friend arrange for an early statement on family leave? Is she aware that a commission reported recently to the United States Congress on family and medical leave, stating that it has a good effect on families and no significant effect on competitiveness? The Government have referred to parental leave in their programme, but unless there is some arrangement for payment that will be a hollow right for many people. Will she undertake to communicate that fact to the relevant Ministers?

Mrs. Beckett: I much respect my hon. Friend's strong feelings on that matter and take the point that a sensible balance between rights and the understanding and recognition of mutual responsibilities in the workplace facilitates competitiveness and economic success. He raised two slightly different issues. The first was family and parental leave; the Government have been discussing family leave in general rather than merely parental leave. Secondly, he mentioned a pay scheme and we are certainly some distance from that, although I understand the importance of his argument.

Mr. Nick Gibb (Bognor Regis and Littlehampton): Will the right hon. Lady find time for a debate on early-day motion 56?

[*That this House notes that from April 1999, 300,000 non-taxpaying pensioners and 330,000 other non-taxpayers will lose an average of £75 each because of the Government's decision to abolish the dividend tax credit; further notes that 80,000 of the pensioners affected will lose over £100 per year; considers that it is unacceptable that basic rate taxpayers and higher rate taxpayers are unaffected directly by this decision which only affects non-taxpayers, half of them poor pensioners, who by definition must be poorer than taxpayers; calls on the Government to act on the promise made to the House on 30th June when the Paymaster General stated 'I am aware of the growing anxiety among poorer non-taxpayers who have been hit by the measure so I know that we need to make our position utterly clear as quickly as possible', Official Report, 30th June, column 175; calls upon the Government to now honour this pledge by announcing that non-taxpayers will be able to continue to reclaim a 10 per cent. tax credit from April 1999 in the same way as taxpayers who hold PEPs or ISAs will be able to do; and further notes that this is still a 50 per cent. cut from the current 20 per cent. dividend tax credit.*]

It has been signed by Members representing all three main political parties and concerns the plight of more than 300,000 pensioners, who will lose on average £75 a year because of the Government's decision to end the repayment of dividend tax credits.

Mrs. Beckett: I am not in a position to allow an early debate on that matter, but I am sure that the hon. Gentleman will have heard me say in the business statement that there will be a debate on tax matters. He will be able to raise it then.

Mr. Dennis Skinner (Bolsover): Will my right hon. Friend confirm if there is to be a statement or a debate on the proceedings with which we have been deluged in the past 24 hours, that is, the demise of the hereditary peers? Although I, for one, want to see the end of the House of Lords, there is a delicious irony in seeing 750 hereditary peers sign their own death warrant-to-be, like the dead parrot, defunct and caput. In those circumstances, would it not be advantageous to introduce in the time that would be made available a strategic rail authority Bill, a food standards agency Bill and one or two other measures? The net result would be a benefit to the House and to the Labour party in particular.

Mrs. Beckett: I certainly accept my hon. Friend's strictures on the general handling of the issue. It is noteworthy that a most respected former Speaker of the House and other peers on the Cross Benches have put forward a proposal that commands support in another place. As my hon. Friend observes, that would mean that the Government could achieve a clear aim, namely, the removal of the right to sit and vote in another place on the basis of heredity. Indeed, we may well succeed in that aim faster than would otherwise have been the case. If the agreement can be implemented, we may well be able to introduce not only the strategic rail authority Bill but, one hopes, legislation on the food standards agency. Since the Conservative party has made so much of that latter measure, saying how important it is, I am sure that that would please Conservatives, too.

Mr. Christopher Chope (Christchurch): Will the right hon. Lady find Government time for a debate on early-day motion 69?

[*That this House believes that the statement of the Secretary of State for Trade and Industry on 9th November, Official Report, column 14, that he has never been, and does not intend to be, involved in procuring or negotiating sponsorship deals for the New Millennium Experience Company is totally inconsistent with newspaper reports that he entered into discussions with S. P. and G. P. Hinduja in January with a view to persuading them to abandon support for a millennium project in the Midlands in favour of the dome at*

[Mr. Christopher Chope]

Greenwich and met the Hinduja brothers on 6th October at the Department of Trade and Industry to discuss the dome and other trade and industry matters; and is of the opinion that the Secretary of State should now apologise for having misled the House and should give up his position with the NMEC immediately.]

It draws attention to the fact that the Secretary of State for Trade and Industry misled the House when he said on 9 November that he had never been and never would be involved in securing sponsorship for the New Millennium Experience Company. This afternoon, the right hon. Gentleman had the opportunity to explain and apologise for his actions on that day. In an answer to a very reasonable question from my hon. Friend the Member for Altrincham and Sale, West (Mr. Brady), he did not deny the facts or that he had misled the House. He sought, however, not to apologise, but to ridicule my hon. Friend and, in so doing, he made a fresh and totally false allegation against Mr. Hinduja.

Madam Speaker: Order. It is perfectly in order for the hon. Gentleman to call the House's attention to early-day motion 69, but he should not use the colourful language that he is using, or introduce new charges. He has done perfectly well in putting down that early-day motion, but he should stick closely to its wording, of which I am well aware.

Mr. Chope: I am grateful for your guidance, Madam Speaker. You were here this afternoon when the issue was put to the Secretary of State for Trade and Industry and you heard his response. Will the Leader of the House demand that he comes to the House to explain his conduct? At the moment, he appears to be above the law.

Mrs. Beckett: I certainly cannot undertake to give the hon. Gentleman or his hon. Friends an opportunity to raise afresh a matter that has clearly been raised once already today. From the hon. Gentleman's remarks, it seems to me not that my right hon. Friend the Secretary of State did not deal with the matters raised, but that the hon. Gentleman does not like the answer that my right hon. Friend gave. I fear that that is not unknown in this place. It remains the position that my right hon. Friend does not procure or negotiate sponsorship deals. I understand that, in early October, he had a meeting with the Hinduja brothers to discuss several issues relating to the Department of Trade and Industry, but there is no record of any discussion of the millennium experience at that meeting.

Mr. David Winnick (Walsall, North): Does my right hon. Friend accept that, if there was a statement on the hereditary peers next week, it would provide the Government with an opportunity to respond fully to the quite extraordinary—there is no other way to describe them—antics of the Leader of the Opposition? One would like to see the right hon. Gentleman respond accordingly. Is my right hon. Friend aware that, as far as one can ascertain, there is widespread Labour support for any compromise and practical solution that would deal with most of the hereditary peers? I welcome what appears to be an arrangement that would help the Government and provide an excellent opportunity for both Houses of Parliament to move forward. It will certainly be appreciated in the country.

Mrs. Beckett: I am grateful to my hon. Friend and to all my hon. Friends who share the view that he expresses. I fear that I cannot undertake to find time in the near future to debate the developments of the past few days, although I agree that that might be an entertaining debate. Unfortunately, we are not here to enjoy ourselves, but to get on with legislative work.

One most noteworthy aspect of the events of the past few days is that the hypocrisy of the Conservative party has been completely exposed. Conservative Members have repeatedly claimed that the measure on Lords reform should not even be in the Gracious Speech, because it would take time from matters that are of far greater concern to the British people. On the other hand, we have made it quite plain that our chief interests in the Queen's Speech were indeed those other issues, such as health care, which are of far greater importance, but that we felt that Lords reform was a matter that had to be dealt with in its proper place. It is we who have been trying to find a way of not taking up excessive time to discuss the matter, although the proper time will, of course, be made available. Therefore, it is now crystal clear that it is Conservative Members who want to spend all their time discussing a matter which they say should not be a high priority.

Mr. Crispin Blunt (Reigate): May I join my hon. Friend the Member for Christchurch (Mr. Chope) in calling for a debate in Government time on funding for the millennium dome? I ask that not least because it struck me that the original answer at Question Time was that the Secretary of State for Trade and Industry had not sought extra funding for the millennium dome from other sources. I would have asked the right hon. Gentleman directly whether the matter had been put to the Hinduja brothers at their last meeting, but I failed to catch your eye, Madam Speaker. The Secretary of State is a fairly slippery customer, and 10 minutes is a short time—

Madam Speaker: Order. The hon. Gentleman will withdraw that remark.

Mr. Blunt: I am sorry, Madam Speaker. I withdraw that remark. The right hon. Gentleman is capable of evading a point for 10 minutes of questions in the House, and he has shown his ability to do so. However, a full debate on the dome would not only allow that question to be properly addressed. but would enable us to ask the right hon. Gentleman to explain the extraordinary claim he made this afternoon, that the millennium dome would somehow create £1 billion-worth of economic growth for the United Kingdom.

Mrs. Beckett: The hon. Gentleman has raised the same issue as his hon. Friend the Member for Christchurch (Mr. Chope) and he will get the same answer. All I can add is that, as Conservative Members have of late spent so much time arguing that the House should devote itself to high-priority issues, the notion that we should spend a day debating the Conservatives' ridiculous accusations about my right hon. Friend the Secretary of State for Trade and Industry is quite ludicrous.

Mr. Dale Campbell-Savours (Workington): May we have a debate on the banking industry, especially the role

played by Lombard banking and National Westminster bank in inducing customers to invest in The Tanning Shop franchisee business, when the bank knew, because that business was one of its major customers, that it was collapsing? If it is possible to have that debate, will my right hon. Friend ask Ministers at the DTI to ask inspectors to interview Mr. Peter Stern, who is the NatWest franchise manager? He knows the whole truth and he should tell the whole truth, so that the bank learns the whole truth. It is his failure to tell the bank the whole truth that is costing franchisees all over the country millions of pounds.

Mrs. Beckett: I am sorry to hear of the concerns that my hon. Friend has raised and of the losses he has identified as being made. I understand that DTI officials are looking at those issues and that the matter may have been referred to the banking ombudsman. I believe that my hon. Friend may have secured a meeting with the Minister for Competition and Consumer Affairs, my hon. Friend the Member for Pontypridd (Dr. Howells). He is the relevant DTI Minister and I know that he will share my hon. Friend's concern and be anxious to ensure that anything that can be resolved is resolved. However, I fear that I cannot promise my hon. Friend that I shall be able to arrange a debate in the House on the matter in the near future.

Mr. Shaun Woodward (Witney): In the light of the right hon. Lady's remarks about faith and confidence in the House and given the comments that have been made today about the business yesterday, does she think it appropriate for an urgent debate to take place in which this House can discuss and debate the conduct of the Prime Minister? In the Queen's Speech debate, the right hon. Gentleman led the House to believe that he was keen to scrap hereditary peers at an early stage and made it a point of principle; yet, at the same time, through his offices and others in his party, he was making secret deals and negotiating how many hereditary peers could, through a Dutch auction, be retained in order to expedite the Government's business.

Mrs. Beckett: I do not think that the hon. Gentleman has been paying attention to what has been going on. My right hon. Friend the Prime Minister made it plain that it is a point of principle in the Labour party that an hereditary position should not be a qualification for sitting and voting in the other place and that we want to see that change at an early stage. It is clear that part of the purpose behind the discussions that have been held is indeed to make sure that that eventuality does occur earlier than might otherwise have been the case—in fact, I am beginning to wonder whether that is the Conservatives' real objection.

Mr. Tam Dalyell (Linlithgow): Has my right hon. Friend had a moment to glance at the amazing, bewildering, breathtaking, fascinating and mind-boggling second report of the Select Committee on Scottish Affairs on "The Operation of Multi-Layer Democracy"? Not since Rip van Winkle, or at least since St. Paul was struck on the road to Damascus, has there been anything quite like it. Has she read paragraph 32, which states:

"Two aspects of the way in which the constitutional reform is being implemented give us particular cause for concern. One is the belated addressing of the English dimension."?

Well, better late than never, but where on earth have our colleagues been all this time? Is it not about time that the House of Commons addressed itself seriously to what is actually happening to the constitution of this country and in Scotland?

Mrs. Beckett: I must confess that I have not committed to memory every word of the report to which my hon. Friend refers. I have a further confession to make: the connection he makes with Rip van Winkle escapes me for the moment, although I am sure that if I think about it afterwards, I shall realise what it is—I shall work on that. I can say only that I know and understand my hon. Friend's strong views about devolution, which he has held for many years. However, regardless of the evidence given to the Select Committee, the remarks made or opinions quoted, I understand that the report welcomes the Government's proposals overall.

Mr. Ian Bruce (South Dorset): I am sure that the right hon. Lady is aware that I asked her predecessor many times whether we could have a debate on the inordinate amount of time that Ministers take to reply to letters from Members of Parliament. She will probably also know that I put a series of questions to Ministers asking how long they took to reply to such letters. My questions were referred to a report that was published just before the summer recess. However, the report told us what had happened in 1997, not 1998—which is not satisfactory.

I draw the attention of the Leader of the House to a letter that I received from the Department of Social Security in response to a question about why pensioners in my constituency had been told that they would receive a guaranteed minimum income of £75 a week. After three and a half months, the reply eventually came that there is no guaranteed minimum income of £75 a week because people must have less than £3,000 in savings in order to qualify. Why must we wait three and a half months to discover that our constituents have been misled in that way?

Mrs. Beckett: I do not intend to sound as though I am treating the hon. Gentleman's concerns about answers to letters trivially. That is an important matter, and I know that all my colleagues do their utmost to answer correspondence as speedily as possible. However, as to the specific issue to which he referred, I take it that he was asking a rhetorical question as I am quite sure that the hon. Gentleman is much too intelligent not to have known the answer before he wrote the letter.

Mr. Andrew Miller (Ellesmere Port and Neston): Has my right hon. Friend noticed the rather strident language that has been used today? Lord Pilkington described Lord Cranborne's deal as his "crowning glory", while the *Daily Mail* described the actions of the Leader of the Opposition as "treason". In light of those comments, will my right hon. Friend provide time for a debate about constitutional reform? Finally, in light of Baroness Strange's departure to the Cross Benches and the changing balance of power in the other place, can my right hon. Friend give an assurance that the Government will not lose their resolve to reform the hereditary peerage system?

Mrs. Beckett: I am aware of the remarks to which my hon. Friend referred. Every time one turns on the

[Mrs. Beckett]

television one learns that a fresh member of the Conservative Front Bench in the House of Lords has departed—no doubt as a vote of confidence in the party's overall leadership. Although I sympathise with my hon. Friend's request to have an enjoyable and amusing debate in what is normally a festive season, I fear that I cannot undertake to find time for it.

Mr. Peter Brooke (Cities of London and Westminster): I thank the Leader of the House for her courtesy in responding to questions put to her by the Northern Ireland Select Committee about the powers of Select Committees in the devolved territories and remind her that we corresponded about that issue in July and November. Is the Leader of the House aware that the deadline for settling those matters is 1 February? Although we are making progress, I hope that that deadline is firmly in the Government's mind.

Mrs. Beckett: I am extremely grateful to the right hon. Gentleman both for his kind remarks and for the manner in which he has raised the issue. If by any chance the matter was not strongly in people's minds, I assure him that it will be from now on.

Mr. John Cryer (Hornchurch): The Leader of the House will be aware that the chief fire officer for London proposes to cut five fire pumps across Greater London. That proposal comes on top of the removal of 14 fire pumps in the three years since the docklands bombing. It is also proposed to cut one of two pumps in my constituency—a move that will be resisted every inch of the way. The legislation governing the fire service, the Fire Services Act 1947, is woefully out of date and in need of review. Could we have a debate or at least a statement about that matter?

Mrs. Beckett: As my hon. Friend has correctly identified, that legislation has been on the statute book for some time. Responsibility for provision of the fire service rests locally with the fire authority, but my hon. Friend will be aware that the approval of my right hon. Friend the Home Secretary is required if such an authority wishes to reduce the number of stations, appliances or fire-fighting posts. I understand that no application has been received to date from the London fire and civil defence authority in respect of Hornchurch fire station.

As a result of the announcement by my right hon. Friend the Deputy Prime Minister yesterday, the fire service standard spending assessment for London should increase by almost £10 million—or 3.8 per cent. That may assist to some degree with the difficulties identified by my hon. Friend. I take his point about the concern regarding those issues, but I fear that I cannot offer to provide a debate or a statement before Christmas.

Mr. Gareth R. Thomas (Harrow, West): Bearing in mind the current confusion in the ranks of the Conservative party to which my right hon. Friend correctly referred, can she confirm whether the progress of the European Parliamentary Elections Bill—which was supported by a majority of hon. Members many times last night—will continue to be impeded by hereditary peers in the other place?

Mrs. Beckett: My hon. Friend asks a very interesting and pertinent question. I am grateful for the opportunity to put on record Labour Front Benchers' appreciation of the devotion to duty shown by many of our hon. Friends on the Back Benches who toiled through the Division Lobby on many occasions last night. I share my hon. Friend's hope that we are well on the way to disposing of the Bill. It is not yet entirely clear what attitude will be adopted in another place—whether as a consequence of the potential agreement or otherwise—but it is not impossible that we may finally be able to dispose of the matter in a manner that allows the efficient conduct of elections. That seems to me to be common sense.

Mr. Desmond Swayne (New Forest, West): The right hon. Lady's answer to the question from the hon. Member for Linlithgow (Mr. Dalyell) was no less extraordinary for the fact that I drew her attention to the report at business questions last week. On that occasion, she replied that she did not read *The Herald* of Glasgow. So that we may be ready for next week's business—particularly Wednesday's business—will the Leader of the House ask the Chancellor of the Exchequer to be prepared to explain why he is now so ready to use the veto on tax harmonisation measures when he signed up to that agenda by acquiescing in "The European Way"?

Mrs. Beckett: I remind the hon. Gentleman that last week he asked me to comment on a leak reported in *The Herald*, not a Select Committee report that was published only today. I am sure that he has been in the House long enough to know that it would have been wrong for me to pre-empt the publication of a Select Committee report.

As for his remarks on tax harmonisation and the views of my right hon. Friend the Chancellor of the Exchequer, it is a constant source of astonishment to me that Opposition Members forget that the only taxation powers given up were those surrendered by the Conservative Government under the Maastricht treaty and on other occasions. For example, we could not reduce value added tax on fuel any further than 5 per cent. because of an agreement made by the Conservatives in government. Opposition Members also complain frequently about the use of the qualified majority vote. I remind the hon. Gentleman that no Labour Government ever gave up the veto: that was the Conservatives' doing.

Mr. Andrew Stunell (Hazel Grove): Will the Leader of the House arrange for the Secretary of State for Defence to make a statement about the Gulf war veterans who claim that they may have been affected by depleted uranium while on active service in the Gulf? Will she draw the Secretary of State's attention to the particular importance of that matter, bearing in mind that Ministry of Defence police have raided the homes of some veterans in the past 24 hours, apparently in an attempt to recover evidence and stop that claim proceeding?

Mrs. Beckett: I am not familiar with the hon. Gentleman's allegations, but I have no doubt that they will be drawn to the attention of my right hon. Friend the Secretary of State for Defence. I am aware that there has long been discussion about the difficult issue of illnesses suffered by many Gulf war veterans. The Minister of Transport, my right hon. Friend for Hamilton, North and Bellshill (Dr. Reid), devoted much time and sympathetic attention to the matter in his previous post as Minister for

the Armed Forces. I am not familiar with the immediate issues raised by the hon. Gentleman, but I shall draw his concerns to the attention of my right hon. Friend the Secretary of State for Defence.

Mr. Tony McNulty (Harrow, East): First, may I thank my right hon. Friend for announcing the dates of the Second Reading of the Greater London Authority Bill, and welcome the publication of the Bill today? Will she resist as far as is practicable any scrutiny of the Bill on the Floor of the House, rather than Upstairs? It needs detailed scrutiny, which is far better done elsewhere.

Secondly, will my right hon. Friend resist the fatuous trivialisation of the issue dealt with at Prime Minister's questions yesterday in terms of patriotic alliances? Will she be assured that, whether it takes one year or two years, as long as the end result is that we get rid of all hereditary peers, this party, which has waited 90 years to do it, will wait a little longer?

Mrs. Beckett: My hon. Friend is entirely right. The clear wish of the Government, and of the people who elected us, is to make a long, long-awaited reform in another place. Anything that brings that about will be welcome. If it brings it about more quickly, all the better.

I hear what my hon. Friend says about the Greater London Authority Bill. We will consider the issues with care. I can assure him that the Government will discuss through the usual channels the best way of handling the Bill, because we all want it to be properly scrutinised. We shall attempt to get agreement about how that can best be done, in whatever way those discussions take place.

Mr. Paul Flynn (Newport, West): When can we debate early-day motion 1?

[*That this House enthusiastically supports the Government's proposal for a £75 guaranteed minimum income for pensioners; notes that about a million pensioners entitled to income support do not receive it; and urges that the guaranteed minimum should be implemented for all by raising the basic pension to £75 per week in 1999 without a means test.*]

The amendment to it reads:

[*Line 3, leave out from 'it' to end and add 'congratulates the Government for honouring its commitment to uprate the state pension at least in line with prices; applauds the extra help given to all pensioners through the new winter fuel payments, reductions in VAT on fuel and the restoration of free eye tests; believes that the Government is right to give the highest priority to the poorest pensioners; further congratulates the Government on establishing pilot projects to encourage pensioners to claim those benefits to which they are entitled; and looks forward to the extension of this initiative, in partnership with local authorities and voluntary organisations, to the rest of the country.'*]

It supports enthusiastically the many beneficial measures introduced by the Government to improve the income of pensioners, but also sadly notes that, according to recent answers by the Government, up to 1 million pensioners will not receive the guaranteed minimum income of £75, principally because they regard claiming income support as claiming a handout?

Many of those pensioners have worked their entire lives without claiming any handouts or any welfare whatever, and they rightly say that if the level of the basic pension had been increased since 1980 according to the level of inflation, as the contributions that they made over 50 years increased by the level of inflation, the basic pension would now be not £66 a week, but £90 a week. Is it not right that we should say to those pensioners that they have earned the £75 on their basic pension? Would not that be the most dignified and best-value way of giving it to them?

Mrs. Beckett: I know of the huge amount of work on social security issues that my hon. Friend has done over the years, and of the great concern that he has shown. I can assure him that the Government whole-heartedly share his wish that the poorest pensioners, who in many cases are the poorest because during their working lives their earnings or their pension arrangements were such that they could not save, should receive a guaranteed minimum income.

I entirely share my hon. Friend's view—I think that I am right in my interpretation of his final remarks—that it is hugely important to encourage such pensioners to claim their entitlement and not to feel that they are discouraged from doing so. If, however, my hon. Friend was suggesting that massive increases should be made across the board to the basic pension, I understand and sympathise with the good will that lies behind that suggestion, but it is a much more difficult matter to give substantial increases on the basic pension, including to people who have—as so many now have, as a result of the scheme introduced by the last Labour Government—substantial second pensions.

Mr. Crispin Blunt (Reigate): On a point of order, Madam Speaker. I am sure that the Leader of the House would not want to mislead the House, even inadvertently. I thought I heard her say, in answer to a question, that the Labour Government had not conceded the veto in any areas. She should, of course, be aware that the treaty of Amsterdam, which was taken through the House and signed by her Government, conceded qualified majority voting in no less than 14 areas. I am sure that she will want to put the record straight.

Mrs. Beckett: With your permission, Madam Speaker, I shall reply to that point of order.

I certainly did not intend any misinterpretation to be put on my words. The point that I was making, as I am sure the hon. Gentleman is well aware, was that it was a Conservative Government who breached the important principle of whether or not everyone should enjoy a veto. Now that the issue of qualified majority voting is in place, thanks to the actions of the Conservative party, of course there are occasions when it seems sensible, in the national interest, that it should be used. It remains my view that it is quite accurate to say that no Labour Government gave up the veto: it was the Conservative Government who gave up the veto, and it is about time the Conservative party stopped making such a fuss and trying to pretend that we are culpable.

European Union

[Relevant documents: Developments in the European Union, January–June 1998 (Cm. 4152); The Commission's Work Programme for 1999: the policy priorities (EU Document Number 12841/98); The Commission's Work Programme for 1999: new legislative initiatives (EU Document Number 12840/98); Minutes of Evidence taken before the Foreign Affairs Committee on 1st December, HC42-i.]

Motion made, and Question proposed, That this House do now adjourn.—[*Mr. Betts.*]

5.55 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): This debate gives the House its traditional opportunity to debate the issues under discussion at the forthcoming European Council in Vienna. It may be of assistance to the House if I outline what those topics will be. Such is the commitment of the hon. Members who have stayed till this hour that I am anxious to be of as much assistance to them as I can.

On the first morning the Council will approve the employment guidelines for 1999 and discuss how Europe can pursue policies to boost jobs and tackle unemployment. In the afternoon, we will examine progress on the Agenda 2000 dossier, reform of the common agricultural policy, modernisation of the structural funds, and the maintenance of budget discipline.

There will also be discussion on the debate on the future of Europe that was launched during the British presidency. This discussion will examine how we can ensure that decisions within the European Union are taken as close as possible to the peoples of the European Union in line with the principle of subsidiarity.

In the evening, there will be a discussion on enlargement, which will focus on a review of the Commission's report on the preparations by each of the dozen candidate countries.

Chancellor Klima of Austria, who will chair the European Council, visited London last week when he outlined that agenda. At his press conference after his meeting with the Prime Minister, Chancellor Klima said, in answer to a question:

"We will talk maybe only one minute about tax co-ordination."

Ever since he said that—or for the past two weeks—public debate about Europe in this country has been about little else but taxation. Today therefore provides the House of Commons with an excellent opportunity to demonstrate leadership of that public debate by exploding the myths and mischief that have been peddled as facts for a fortnight.

Ghost stories about bogy men can be very entertaining for children, but the electorate are entitled to be treated as adults when we debate our relations with our closest neighbours and our most important trading partners.

Mr. William Cash (Stone) *rose—*

Mr. Cook: I see a bogy man.

Mr. Cash: The Foreign Secretary said that decisions, especially with regard to matters such as taxation, should be dealt with on the principle of subsidiarity, and decisions made as near to the people as possible. The Government continually say that there is no constitutional bar to economic and monetary union. Will the right hon. Gentleman explain how they can make such an assertion, given that taxation clearly lies at the heart of economic and monetary union? When all the statements made by Oskar Lafontaine and others indicate that that is on their minds, why do the Government deny that taxation is on the agenda?

Mr. Cook: Of course, fiscal policy—the degree of the Government deficit—is highly relevant to monetary union. It was the hon. Gentleman's Government who agreed at Maastricht to tight targets on fiscal policy. We see no reason why those commitments on fiscal policy, given by hon. Members on the hon. Gentleman's Front Bench, necessarily require any country in Europe to have the same rate of taxation as any other country in Europe.

The best way of helping the hon. Gentleman and others to overcome fears of bogy men is to remember that we are not alone. Not just Britain but many other member states will oppose the harmonisation of tax rates. Yesterday the Italian Finance Minister told the *Financial Times* that harmonisation of corporation tax would be

"untimely, questionable and above all hardly feasible"

and that it

"would be wrong in any event."

Yesterday the Prime Minister of Spain spoke out against what he called the "dumbing down" of tax harmonisation, and opposed a single rate of direct tax because

"it would be a recipe for inefficiency".

There is no majority for the harmonisation of tax rates in Europe, never mind the unanimity that would be required for action. Nor will the need for unanimity change. That would require all members of the European Union to agree on a change to qualified majority voting on tax, and most member states will not agree.

As so much has been made of this debate over the past week, let us look at the record on tax harmonisation in Europe. The greatest harmonisation of tax rates adopted by the European Union was under the previous Conservative Government—the harmonisation of value added tax agreed by the then Conservative Chancellor Lord Lamont. It provided that, throughout the European Union, there would need to be a minimum standard rate of 15 per cent.

If the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) intends to attack tax harmonisation as wrong in principle, perhaps he would be good enough to share with the House what objections he raised in the Cabinet of which he was a member when it agreed to harmonise rates of VAT. There has been no change, and no proposals for change, in the harmonisation of VAT, since the election. Indeed, the only substantial change in VAT since the election is that the Government have cut the VAT on domestic gas and electricity bills which the last Government introduced. Those powers to vary the rates will of course continue. Only those who are out of touch with the EU would think otherwise.

So much for the past; as for the present, let me set out the Government's position. Britain will vigorously support the interests of British trade and investment throughout the single market by constructive engagement. There cannot be a Member of the House who has not been

lobbied by an industry in his or her constituency about unfair tax loopholes, state aids or special tax privileges in a country with which that industry is in competition. Many of those tax breaks are now under review in a working group chaired by a British Treasury Minister. That is a good example of British leadership where we believe European co-operation on tax would benefit British industry and jobs.

Mr. Jim Marshall (Leicester, South): I am grateful to my right hon. Friend for giving way on the point about British leadership in that particular field. I refer to British leadership in another field, which he did not mention when he referred to the agenda for the Vienna Heads of Government meeting—the common foreign and security policy.

Continental Europe is alight with views about what the Government and my right hon. Friends the Prime Minister, the Foreign Secretary and the Secretary of State for Defence mean in respect of a new EU defence policy. I quote my right hon. Friend the Secretary of State for Defence:

"We are not talking about a standing European army. We are not talking about removing defence from the control of national governments. And we must not do anything that would undermine NATO, which will remain the cornerstone of European defence and security".

I know what we are not talking about. Perhaps—not at this moment but at some point in his speech—my right hon. Friend will tell the House and continental Europe what we are talking about.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Before the Foreign Secretary responds, may I say to hon. Members that we have had two very wordy interventions? The custom is that interventions should be brief, rather than mini-speeches.

Mr. Cook: I am glad that I have given my hon. Friend the opportunity to make his point, although I am not sure that it naturally arose from the passage on which I was addressing the House. He asked what we are exploring with our French partners, and with other partners throughout the EU. We are exploring how we can make decisions within the common foreign and security policy more effective and more rapid, and how we can ensure that there is a better transmission between the security policy decided by the Foreign Ministers of the EU and the defence policy that we implement through the North Atlantic Treaty Organisation.

We have been clear about the fact that we do not see that as in any way weakening NATO. On the contrary, we would hope that the initiative that we are taking on European security would strengthen the effectiveness of security policy in the EU and the European identity within NATO.

Mr. Deputy Speaker: I am sorry to interrupt the right hon. Gentleman again, but I should remind him that he should have been addressing the Chair, just as much as his hon. Friend.

Mr. Cook: I am justly rebuked, Mr. Deputy Speaker, and shall make a point of addressing the Chair. If you would allow me to return to the trend of my observations—

Mr. Oliver Letwin (West Dorset) *rose*—

Mr. Cook: The hon. Gentleman will no doubt have an opportunity to intervene later.

I was outlining the fact that we would vigorously support the interests of British trade and investment, wherever they were served by co-operation on tax. Where there is that British interest, we will support it. Successive British Governments have tried to get a level playing field on excise duties so that British spirits have fairer competition in their export markets. I pay tribute to the previous Government, for once. They also pressed for more harmonisation of export duties, and they were right to do so.

Mr. Crispin Blunt (Reigate): I am grateful to the right hon. Gentleman for giving way on the issue of harmonisation. Hans Tietmeyer has said:

"A European currency will lead to member nations transferring their sovereignty over financial and wages policy as well as in monetary affairs. It is an illusion to think that states can hold onto their autonomy over taxation policies."

Does the right hon. Gentleman agree or disagree?

Mr. Cook: I have already made it perfectly clear that I do not accept that becoming a member of the single currency—if that were something that Britain were eventually to become—would logically involve a transfer of decision making on taxes, still less on wages policy. There would need to be harmonisation of fiscal policy and budget deficit, but that would not require us to have common tax rates. It has not required common tax rates throughout the United States, which also operates within a single currency.

Not only Britain, but many other member states, still insist that direct taxation is a matter for the nation state. There is neither any proposal, nor any prospect of a proposal, for harmonisation of income tax in the EU. Neither Britain nor many other member states believe that there is any case for a European rate of corporation tax. Even the President of the Commission, which alone can initiate any proposal, has said that

"income tax, corporation tax, social security . . . are sovereign, national matters and will remain so."

We need to have a debate about tax and Europe that treats British voters as adults. Where there are limited proposals for co-ordination on tax rules which are of benefit to Britain, we should support them. Where there are proposals that would damage Britain, we will oppose them, but for the rest of my lifetime, and that of the right hon. and learned Member for Folkestone and Hythe—whoever manages to outlive the other—the member states of the EU will continue to have tax systems which remain distinctive, even sometimes eccentric.

Germany has a special tax on coffee. I cannot see the French, with their famous affection for coffee, swallowing that one. France has a special 30 per cent. tax allowance for journalists. I do not imagine that other countries will want to copy it, but it could be the one measure which, at a stroke, could convert the British press to enthusiastic support for tax harmonisation.

Mr. Letwin: In the light of his remarks about treating the British public as adults, will the Foreign Secretary explain why the Financial Secretary to the Treasury did not treat the members of European Standing Committee B as adults when she told us:

"We believe that our own domestic tax system is fully consistent with the principles of the code."—[*Official Report, European Standing Committee B*, 26 November 1997; c. 2.]

[Mr. Letwin]

The right hon. Gentleman rightly told us that the Financial Secretary chairs the group that is working on it, but 10 of the measures will involve changing our tax system.

Mr. Cook: If I may correct the hon. Gentleman, the 85 measures at the back of the report that went to the Economic and Finance Council this week are being examined by the working group. That does not imply that the working group has taken a view on any of those 85—far less on the 10 that affect Britain, and even less on the five within that 10 that concern United Kingdom, as distinct from Gibraltar, issues. We shall look carefully at those issues as the working group continues its task.

If we are serious about tackling unfair tax loopholes and tax breaks in other countries that distort the market and are to the disadvantage of our industry, we should be prepared—openly and robustly—to look at those areas where other countries may have criticisms of us and where we are confident that we can rebut those criticisms.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): Will my right hon. Friend give way on that point?

Mr. Cook: I will give way, then I must move on.

Mrs. Dunwoody: Does not that mean that we may not always be able to maintain some rates of taxation that are radically different from those of other nations? We must occasionally assume that, as part of the negotiations, we will be required to abandon British taxation.

Mr. Cook: Perhaps I may correct my hon. Friend. The working group is not examining tax systems, tax rates or tax rules. Under examination are the special, privileged tax breaks that some countries have used unfairly to attract investment, which does not reflect the competitiveness of the general economy. We are confident that we can assert that we will not have such tax breaks in Britain.

Mr. Patrick Nicholls (Teignbridge): Will the right hon. Gentleman give way?

Mr. Cook: If the hon. Gentleman will forgive me, I must make progress with my speech. I am sure that he will catch my eye later.

The real agenda for Vienna shows Britain's success in influencing European priorities. Last December at Luxembourg we secured employment guidelines that reflect Britain's strategy of getting people back into work by increasing their skills. We have successfully retained the broad thrust of that strategy in the new guidelines for 1999. We have also secured some improvements. In particular, we have secured a new stress on gender equality, which reflects our commitment to ensuring that opportunities for work are open to both men and women.

We shall continue to make progress on our objective of ensuring that the principle of subsidiarity is put into effect across all decisions of the European Union. We hope to reach agreement in Vienna that the protocol on subsidiarity of the Amsterdam treaty will be brought into effect early, even though the treaty as a whole has not yet been ratified by all member states. We shall receive at Vienna the first annual report on the implementation of subsidiarity. Both those steps take us further towards our goal of a Europe in which decisions are taken closer to the people.

Britain's objective in the discussion on Agenda 2000 will be to keep on track for its conclusion at a special European Council next March under the German presidency. We welcome the commitment that has been given by the new German Government to keep to that timetable. On Sunday, I shall join Foreign Ministers to discuss Agenda 2000 in advance of the Vienna Council. Progress so far on the three main elements of Agenda 2000 is in line with British interests.

On the common agricultural policy, we welcome the Commission's proposal for a cut of 30 per cent. in beef intervention prices; a cut of 20 per cent. in cereal prices; and a cut of 15 per cent. in milk prices. Collectively, the price cuts add up to a saving for the British consumer of £1 billion a year, which is a saving of £84 for the average household budget.

On structural funds, we support efforts to streamline the present seven objectives into three. Two thirds of all structural fund spending will remain concentrated under objective 1, and our success in securing new agreed regional boundaries should ensure that Britain continues to get good support from objective 1, with three new areas qualifying: South Yorkshire, Cornwall and west Wales.

On budget discipline, we welcome the broad consensus that there should be no increase in the ceiling of the European budget. We shall continue to impress on the Commission and the Council that the budget ceiling should remain a ceiling and should not become a target.

Mr. Nicholls: Does the right hon. Gentleman realise that one of the unfair tax breaks that attracts investment into this country is the comparatively low rate of corporation tax? In the light of what he said, how does he propose to resist moves from other countries that want our corporation tax to be at the same rate as the equivalent tax in their countries, so that the so-called unfair tax competition is eliminated?

Mr. Cook: I was unwise to give way to the hon. Gentleman, who plainly does not understand what is under review by the working group on the code of conduct. The rate of corporation tax has nothing whatever to do with that working group.

Mr. Nicholls: Yes, it does.

Mr. Cook: The code of conduct has nothing to do with the overall rate. It deals with those countries that provide specific, targeted exemptions to attract privileged industries to their country in unfair competition with other countries. For that reason, this country has nothing to fear from a rigorous examination of the problem. If Conservative Members were to acquaint themselves with the truth of what is actually under discussion in the European Union, they might not feel so threatened.

Before the hon. Member for Teignbridge (Mr. Nicholls) intervened, I was referring to budget discipline. I assure the House that my right hon. Friend the Chancellor of the Exchequer and I have made it plain at successive Council meetings that there can be no question of reopening negotiations on the British rebate. In its recent financial

perspective, the Commission admitted that, even after the rebate, Britain continues to make a higher net contribution per head than other member states that are in a better position to pay. In those circumstances, we see no case for reopening negotiations on the British rebate.

It will, of course, not be possible to fund the enlargement of the European Union within a fixed budget unless we can reduce spending within the existing member states. It is vital that the European Union maintains its momentum on the reforms in Agenda 2000 to match the preparations that the candidate countries are making for membership.

The Vienna Council will review the Commission's report on the preparations in each of the dozen candidate countries. The Commission identifies two or three candidates whose progress on preparation has been disappointing, but the overall picture is positive. For the first candidate countries, screening has now been completed in 17 chapters of European law, and substantive negotiations have been opened in seven. If we can maintain that momentum, by the end of the German presidency we shall have commenced negotiations in half the chapters of European law. That would be good progress, and would demonstrate the strength of the arrangements for enlargement that Britain established during our presidency.

Britain continues to be the firmest ally of the candidate countries in the debates on enlargement. I was the only Foreign Minister of any of the major member states to attend last month's accession process with the candidate countries. That strong support is warmly acknowledged whenever I visit any of the candidate countries. Their good will for Britain is in our national interest, because they will soon be full voting members of the European Union.

I do not underestimate the real difficulties in securing the biggest ever enlargement of the European Union. Nevertheless, I firmly believe that the problems of enlargement are much less important than the benefits. There could be no more valuable prize than a united, stable, democratic and prosperous Europe.

Britain has left its mark on the major issues that will be on the agenda at Vienna.

Mr. Roger Casale (Wimbledon): My right hon. Friend rightly says that we should not lose sight of the fact that the enlargement of the European Union is an historic opportunity for Europe. Does he accept that it is also an historic opportunity for Britain to show clear leadership in Europe by ensuring that countries that want to accede to the EU are ready to join, and that the EU is itself ready for accession to take place? This is the moment for British leadership to come strongly to the fore.

Mr. Cook: I entirely agree with my hon. Friend. I believe that Britain has shown that leadership in the past 18 months. We have pressed for the successful launch of the accession process, and at all the Council meetings we have constantly spoken in support of enlargement. We are keen to ensure that the Agenda 2000 dossier is completed by next spring, so that we can match the real efforts that are being made by many of the candidate countries. All around central and eastern Europe, there are improvements in good governance, changes to the market economy and improvements on trade. That is a direct reflection of the commitment of those countries to achieving membership of the European Union. We should respond to that action within Europe.

Britain is, of course, demonstrating leadership. Our leadership is shown in the step-change that the Government have made in our relations with our European partners. A key part of that step-change is a much greater partnership between Ministers and their opposite numbers throughout the European Union. It is now routine in European business for Britain to take the initiative along with one or more of our partners.

My right hon. Friend the Prime Minister has just made a declaration on employment jointly with Prime Minister Aznar of Spain, and early next year we will hold the first of our new regular summits with Spain. My noble Friend Lord Simon has launched an initiative on boosting enterprise with his French opposite number. My right hon. Friend the Secretary of State for Trade and Industry is engaged with the Minister for the Chancellery in Gerhard Schröder's office to promote a common approach to a broad range of policy issues.

I have agreed with Joschke Fischer on a structure of regular meetings between ourselves, and between our European Ministers. We are nearing completion on a British-German initiative on human rights. Yesterday, my right hon. Friend the Secretary of State for Defence and I travelled to Paris to meet our counterparts jointly, to explore how we can work together more closely on our ideas for the security of Europe.

In parallel with that increased partnership with Ministers in European countries, we are demonstrating the step-change in our relations with Europe by strengthening our diplomatic team throughout Europe. Last week, I announced that there would be 33 more staff at our embassies in the European Union. That will mean more commercial attachés to promote British trade, more labour attachés to promote our dialogue with social partners throughout Europe, and more desk officers to support them in the European command in the Foreign Office. That constitutes a new investment in our relations in Europe—a good investment, because this Government are determined to make those relations work.

In the past week, we have seen an example of our success in making those relations work for Britain: both the Agriculture Council and the European Commission voted to lift the ban on the export of British beef. We were, of course, able to achieve that result only because of the majority voting that the Conservative party insists on regarding as merely a threat to Britain. Nothing illustrates more effectively than that success the contrast between the present Government and their predecessor. The last Conservative Government launched a war on Europe over the beef ban; they lost that war. They surrendered without securing the sale of a single sausage.

The consequences of that war, however, were worse than mere failure. It provoked the maximum resentment of Britain, and produced the minimum respect for it. Britain is now respected as a leading partner in Europe. Even before we go to Vienna, the agenda for that summit demonstrates Britain's influence. My right hon. Friend the Prime Minister and I will travel to Vienna confident that we shall be able to secure conclusions that are in Britain's interests.

[Mr. Cook]

In any other European country, the strength of that country's government in Europe would be a matter of national pride. An eve-of-summit debate in any other European country's Parliament would express unity in support of the nation's interest in a successful summit.

Mr. Michael Howard (Folkestone and Hythe): Paradise!

Mr. Cook: The right hon. and learned Gentleman may say "Paradise", but I do not expect what I have described to happen tonight. I fear that, if this debate runs true to form, we are doomed to a succession of speeches demonstrating the maximum division over our European policy from Opposition Members who, I suspect, would secretly prefer seeing the European summit to end in disarray that was bad for Europe to seeing an agreement that was good for Britain.

I do not really expect the Government to secure agreement from the Opposition on our European policy tonight. That would be too much to hope, given that the last Conservative Government could not secure agreement either. But, as long as the Conservative party insists on regarding Europe only as a threat, it will be unable to offer Britain a Government who can seize the opportunities of membership of the European Union.

Europe is our largest market, and buys half our exports. Europe's strength means that we have more clout in trade talks than Britain could ever have on its own—and the more we are seen to have influence in the capitals of Europe, the more respect Britain has in capitals throughout the world.

This Government recognise the tremendous opportunity that Europe represents for Britain, and in Vienna we will again demonstrate that we are a Government who can take full advantage of that opportunity.

6.25 pm

Mr. Michael Howard (Folkestone and Hythe): This is a significant debate, and the Vienna summit will be a particularly significant summit.

It has become crystal clear in recent days, even to the most blinkered observer, that the European Union is at a crossroads. We now face pressure on all fronts to move towards the goal that the German Foreign Minister has declared to be his objective: a single European state. One currency, one tax policy, one employment policy, one defence policy, one legal area, one state.

There is a great march towards a single European state, and the British Government will have to respond to it. It is not something that the Government can fudge. This is the moment when the new Labour project collides with the real world. The time has come at last for the Government to stop talking about hard choices and start making some.

The omens are far from encouraging. At the recent summit in Pörtschach, the Prime Minister had an opportunity to say no; instead—in the words of an authoritative British source—he decided to go with the flow. If he continues to go with the flow in Vienna, it will be disastrous for Britain and disastrous for Europe. The decisions made in Vienna during the Germany presidency in the first half of next year will set Europe's course for the early part of the next century.

This should constitute an historic opportunity to ensure that Europe responds to the needs and wishes of its peoples. With nearly 20 million people out of work across Europe, job creation should be the number one priority. With the institutions of Europe being seen as ever more remote from the people of Europe, genuine subsidiarity should be high on the agenda. With the countries of central and eastern Europe desperate to cement their political and economic freedoms by joining the European Union, the requirements of enlargement should inform every decision that Europe now makes.

By their actions in Vienna, Europe's leaders will be able to provide answers to some fundamental questions. Are we to have a Europe of nation states, or will the process of European integration continue indefinitely? Will we be part of an outward-looking, free-trade Europe, or part of a fortress Europe? Will Europe take the route of genuine subsidiarity, or will it move yet further from its citizens? Will it be a high-tax or a low-tax Europe, a competitive or an uncompetitive Europe, a job creator or a job destroyer?

Since their election, all too many of Europe's left-wing Governments have already provided the answers to those questions. The tragedy for Britain is that, so far, the British Government have been content to go with the flow. It is now time for British Ministers to tell the British public where they stand.

Britain is, after all, in an ideal position to take a principled stance. Ministers should know what policies are best for Europe, because they have seen them work in Britain. Ministers in a country that, during the last Parliament, witnessed stronger growth than took place in any other major European Union country should know which economic policies are required to foster prosperity, because they saw them work in practice. Ministers in a country that, by 1997, had a lower unemployment rate than any other major European Union country, and a higher proportion of the working-age population in work than any such country, should know what policies are required for job creation, because they saw them work in practice. Ministers representing a country whose citizens believe in co-operation and free trade, but who are proud of their nation and do not wish it to be submerged in a single European state, should know precisely when to call a halt to further integration.

The British Government should therefore be putting a case for British principles—British Conservative principles—the free market, low taxes and less interference from Brussels. Alas, they are not doing so. Indeed, they are not arguing for any principles at all. Time and again, they are content to nod through whatever suggestions are put before them by other countries. When it comes to proposals from Europe, new Labour just goes with the flow.

That process has continued long enough. It is time for the Government to be straight with the British public. Before Ministers travel to Vienna, there are at least six key areas on which they need to explain where they stand.

First, Europe's agenda on the harmonisation of taxes is becoming increasingly plain. Finance Ministers of the countries holding this European Union presidency and the next have made it clear that tax harmonisation follows

directly from the introduction of the single currency. The German Finance Minister has said that it is a primary objective of Bonn's EU presidency.

We are already aware of plans to harmonise corporate taxation. Now the Commission is preparing to publish suggestions for a common VAT regime. It has made it clear that, as an intermediate step, it wants to extend its scope and to review exemptions, which would clearly put the UK's zero rates at risk.

According to Commissioner de Silguy, that could "logically" lead to the introduction of VAT on food. The same commissioner has called for the extension of qualified majority voting on taxation issues. When asked recently whether harmonisation could include personal taxation, he replied, "Why not?"

At the very moment the Foreign Secretary was making reassuring noises to the Select Committee on Foreign Affairs on Tuesday morning, there was a call from Germany and France for the abolition of the veto on taxation.

Mr. Casale: Will the right hon. and learned Gentleman make clear which type of tax he is objecting to—indirect taxes such as VAT, which are part and parcel of completing the single market and on which his Government introduced harmonisation to complete the single market; or direct taxation, which is not on the negotiating table now, or for the foreseeable future? Which is he talking about—indirect or direct taxes?

Mr. Howard: If the hon. Gentleman wants to intervene, he should at least do me the courtesy of listening to the speech because, as I have said, those taxes are indeed on the agenda; Commissioner de Silguy has said so in recent days.

Mr. Robin Cook: If the right hon. and learned Gentleman is objecting to VAT being, as he puts it, on the agenda, could he clear up what he said in the Cabinet in 1993, when the then Chancellor of the Exchequer agreed to harmonise VAT rates throughout Europe?

Mr. Howard: The Foreign Secretary knows full well that it is country of origin-based VAT that is objectionable. That was effectively put off the agenda under the previous Government. It has come back on to the agenda under the present Government. That is what is objectionable and what the present Government's position is unclear about.

Mr. Cook: I am very sorry: I do not know whether the right hon. and learned Gentleman was at the Cabinet the day it discussed that matter in 1993. The previous Government agreed that there would be a minimum standard rate of 15 per cent. throughout the European Union, and that there should be no more than two lower rates, of which the bottom one would be at least 5 per cent. That is the only agreement that has ever been made on harmonisation of tax rates in the history of the European Union. Did the right hon. and learned Gentleman object to it, and if he did not, would he please spare us this humbug?

Mr. Howard: The right hon. Gentleman knows full well that that agreement did not in any sense put the zero VAT rates in this country at risk. It is the country of origin-based regime on VAT that puts zero tax rates at risk, and we are entitled to know what the Government's position is on that and those other issues.

The Government claim that tax harmonisation is "not the way forward" and that

"no-one is proposing any change in VAT".

but when we examine the small print in their documents, we find that their commitment to resist tax harmonisation is limited to personal tax rates. There is no commitment to resist harmonisation of the range of taxation that does not fall within that narrowly defined category.

When they are behind closed doors, the Government's actions belie their words. First, they sign a code of conduct on business taxation, under which they undertake not to engage in so-called "harmful tax competition". Then they endorse a socialist manifesto—indeed, they apparently drafted it—that calls for further efforts to avoid so-called harmful tax competition. Finally, this week, we have been told that Ministers will not be vetoing plans for a withholding tax, despite the damage that they would do to the City of London, and that they will be signing up to measures forbidding tax breaks for industries, including tax breaks that they themselves have introduced during the relatively short period that they have been in government. So Ministers say one thing in Britain and do another in Europe.

Mr. Giles Radice (North Durham): The right hon. and learned Gentleman mentioned zero rating of VAT. Has he noted that there are six member states with zero rating and that, for it to be removed, there has to be unanimous voting? It does not seem likely that there will be unanimous voting when six countries have zero rating, so the point that he is making is not really serious.

Mr. Howard: It is an extremely serious point when the Foreign Secretary assures the Select Committee on Foreign Affairs that matters are not on the agenda and, as he speaks, the Finance Ministers of France and Germany indicate that they are on the agenda. As we have seen in the past, when Germany and France agree on something within the European Union, they tend to get their way.

With such behaviour in mind, is it any wonder that the French Finance Minister confidently predicts that Britain will be

"won round to tax harmonisation by the end of the German presidency".

that the Commission President says that Britain has already accepted the principle of co-operation on tax rates, and that European Commissioner Monti says that the UK is "fully on board" on the issue?

Let the Government answer clearly: why have they already signed up to the principle of tax harmonisation? Precisely which "non-personal" taxes are they prepared to see harmonised? Is it true that they intend to refuse to veto measures on withholding taxes; and will they propose new measures to outlaw tax breaks for particular industries?

The second issue is no less crucial to Britain's future. It was raised by the hon. Member for Leicester, South (Mr. Marshall). The Foreign Secretary indicated that he was going to deal with it in his speech. We are still waiting for a comprehensive reply.

[Mr. Howard]

The House was not given the courtesy of a statement on the outcome of the informal summit at Pörtschach, but following the usual off-the-record briefings, the press reported that, to prove their Euro-credentials, the Government were planning to table new proposals on the future of Europe's defences.

The German Foreign Minister has made his view on that issue clear. He thinks that

"one day, foreign and defence policy will . . . have to become community tasks",

so he thinks that the European Commission should decide whether and when British forces should be committed to combat.

The Conservative party has an equally clear view. We believe that the British Government should continue to decide whether and when British forces are committed to combat. We believe that NATO should remain the bedrock of our security and that any European defence identity should operate within NATO.

What is the Government's view? When addressing a British audience through their mission statement, they promised to base Britain's security on NATO, but when abroad, they sing a different tune. The Prime Minister told the *New York Times* that the European Union needed to be able to act militarily "on its own" when the United States was not so engaged, and he told the North Atlantic Assembly that Europe needed "genuine military operational capability".

When the issue was raised with the Secretary of State for Defence last week, he refused to clarify it, so Ministers have a second chance today. Do they support the idea of a European Union military capability—yes or no? Would they support the abolition of the Western European Union, or its merging into the EU—yes or no? If the WEU is to be abolished and a European military capability is to be based on the European Union, where does that leave Norway, Turkey and Iceland, which are members of NATO but not of the European Union? Where does it leave the new members of NATO, who will become members in April, but who are not yet members of the European Union—Hungary, Poland and the Czech Republic?

Ms Claire Ward (Watford): Will the right hon. and learned Gentleman explain how the views that he has just mentioned can sit comfortably with the views he expressed some time ago in the 40th anniversary special supplement of *Crossbow*. In that magazine, when he was a practising barrister rather than a Member of the House, he said:

"Eventually, indeed, the aim might be a European air force and joint units could be a first step towards that objective."

Does he agree with that statement now?

Mr. Howard: The hon. Lady has gone back a long way. I am delighted that she is such an assiduous reader of *Crossbow*. The previous Government made it clear that we had no objection to a European defence identity within NATO, but that is what the Western European Union is there to provide. It is the future of the WEU which is at the heart of this debate.

Ministers are playing an extraordinary game. After Pörtschach one senior civil servant remarked that it was

"refreshing but a bit unnerving"

to have a Prime Minister launching a major policy debate

"without knowing where it's going to end up."

When that debate concerns Britain's future security, such an approach might be considered rather more unnerving than refreshing. The North Atlantic Treaty Organisation has been extremely effective in keeping the peace over the past 50 years. It is disgraceful that Ministers are now prepared to put that at risk, not because they think that there is anything wrong with it but simply because they want to curry favour with some of our European partners.

Thirdly, we now learn that the European Commission is working on proposals for a unified criminal system with a European public prosecutor to whom each state's prosecution chiefs would ultimately be answerable. Initially, the proposals have been concerned with the fight against fraud in the European Union. The Conservative party has been at the forefront of calls for Europe to deal with such misuse of taxpayers' money. However, we would not support any extension of that work in the direction of a unified criminal system across the EU.

Ministers claim that such proposals are merely part of a discussion paper. They used to make similar claims about tax harmonisation until we discovered that they had apparently already signed up to the idea. The Conservative party can today give a categoric assurance that we will not support further moves towards a unified criminal system in Europe. Can the Government give that assurance too?

Fourthly, both France and Germany have made it clear that they support much higher public spending in Europe. What is the view of the British Government? When addressing British audiences they claim to support fiscal control in Europe. Once again, there is a yawning gap between their rhetoric at home and the reality of what they endorse while abroad. At Pörtschach, the Prime Minister was reported to have signed up in principle to a multi-million pound spending package. The Euro-socialist manifesto that Labour endorsed, and indeed claims to have drafted, contained similar plans and called for a "new culture of regulation".

Is it any wonder that many observers are claiming that the differences between the German SPD—the Social Democratic party—and the Labour party are far smaller than is often assumed in public debate.

Fifthly, Europe is facing vital decisions on the extent of future integration. The German Foreign Minister believes that the creation of a single European state is the

"decisive task of our time."

He wants to turn the European Union into one entity under international law with a common constitution. The Conservative party believes that Britain should be in Europe, but not run by Europe. What is the Government's view? When giving interviews to the *New Statesman* the Foreign Secretary informs us that

"Maastricht was a high water mark of integrationism".

When seated round the discussion tables of Europe at Amsterdam, his party signed up to an extension of majority voting in 15 areas and a year later it endorsed a Euro-socialist manifesto calling for "increased international integration". Which of the Government's

two contrasting faces—for domestic consumption or for presenting to our European partners—is the real face of the British Government?

Mrs. Dunwoody: I understand the right hon. and learned Gentleman's worries. As someone who negotiated the Labour party's involvement in the Euro-socialist manifesto over four different European parliamentary elections, I can assure him that such was the magnificent and careful use of language that all those documents contained no commitment to anything of any kind.

Mr. Howard: I am sure that the hon. Lady is absolutely right. In the days when she drafted the documents for European parliamentary elections, what they contained mattered very little because there were few left-wing Governments in the European Union. The trouble now is that the document matters greatly because 13 of the 15 Governments are left wing. That is why we have to take the document seriously and that is why its content is so alarming.

Ms Ward: Perhaps the right hon. and learned Gentleman should take some lessons from the statistic that he has just quoted. The fact that 13 members of the European Union have what might be described as left or left-of-centre Governments might suggest that that is the right way forward.

Mr. Howard: The trouble is that in the past this country has seen the effect of the policies that those Governments are now pursuing so actively and vigorously. Those are the very policies with which the present British Government are prepared to go along, moving with the flow.

I want to talk about the extent to which the moves to a deeper Europe put a brake on enlargement. On 10 November substantive negotiations were opened at ministerial level through the accession conferences, involving the six first-wave applicants. We now learn that European Commission officials are stating "in private" that the target date for the first wave of EU enlargement is slipping to "after 2005". Hungary and Poland in particular have expressed concern at the continuing delays. The Polish President is reported to have strongly criticised the European Union for spreading myths and stereotypes about candidate countries as an excuse to delay their entry into the EU.

What is the Government's view? Publicly, the Government have given their support to the enlargement of the EU—we heard that from the Foreign Secretary a few minutes ago. In Europe, they continue to support further integration which will set back the process of enlargement still further.

The Government have not been open with the British public on any of those issues, but nowhere has Labour's unprincipled stance been as stark as on the single currency. Almost alone in Europe, the Labour Government have simply refused to explain exactly what the single currency will entail. The other countries of Europe do not share those inhibitions. The German Chancellor refers to the euro as

"an important step on the way to European integration."

The Austrian Foreign Minister says that it represents a

"major step in the political process of European integration."

Commissioner de Silguy says that the single currency should be the

"driving force of closer political union."

In Britain, the Government make no such claims. With the vast majority of British people opposed to such integration it is not hard to see why.

As on tax harmonisation, on steps towards a European Union army and on the proposals for further integration, the Government are simply unwilling to tell the British people the truth. Instead, they seek to divorce the constitutional impact of the single currency from its effect on the economy. They refuse to admit that the two are inextricably linked and that a policy of abandoning our control of economic and monetary policy has significant and constitutional implications. They are scarcely prepared to admit that the EMU project is about economic and monetary union, not simply about a single currency, momentous a question though that is.

Mr. Tam Dalyell (Linlithgow): Does the right hon. and learned Gentleman feel the slightest bit uneasy at having sat for all those years in the same Cabinet as the right hon. and learned Member for Rushcliffe (Mr. Clarke)?

Mr. Howard: Not at all. My right hon. and learned Friend and I go back a very long way. We have been friends for a very long time and we agreed on far more things than we disagreed about.

Nations control their economic and monetary policy because it is in the interest of their citizens that those decisions be taken according to national needs. By saying that it is a question of when, not whether, we join economic and monetary union, the Government are intent on signing away in perpetuity our right to decide those vital matters for ourselves. Ministers claim that the constitutional implications are irrelevant. How will they explain that to British workers thrown out of work because European interest rates, set with the needs of all of Europe in mind, are too high for Britain; or to households facing an inflationary boom if interest rates are too low? How will they explain to British voters that their votes will be powerless to change those policies because the decisions will no longer be made in Britain?

It is, of course, easy to understand why the Government, given their record, are tempted entirely to remove matters of economic management from the domestic political arena. After 19 months in office, they have already generated the headlines produced by every previous Labour Government: interest rates up; taxes up; unemployment up. It is therefore easy to understand why they no longer want such questions to feature in our general elections. But what would be the point of having general elections if the parties were unable to stand on differing economic programmes?

Mr. John Cryer (Hornchurch): If, as the right hon. and learned Gentleman seems to think, EMU is wrong in principle, why does not the Conservative party rule it out for ever?

Mr. Howard: I am saying that those are relevant questions to be taken into account. They are not matters completely to be put to one side, as the Government pretend, by uttering the mantra that there is "no constitutional bar", as though that were enough to make any further discussion totally irrelevant.

[Mr. Howard]

The truth is that the management of our economy is not some side issue for Ministers to ponder in their spare time, but the primary function of a modern Government. How can removal of control of economic decision making from the House not be a weighty matter to consider in the context of economic and monetary union?

The fact is that—on the single currency, on tax harmonisation, on defence matters, on European economic policy, on judicial co-operation, on European integration and on enlargement—new Labour is trying to be all things to all men. It tells the British people what it thinks the British people want to hear, and then signs what the other countries of Europe want it to sign.

As Europe lurches to the left, Labour's only goal is not to be left out. Instead of standing up for Britain's interests, it goes with the flow. Labour is unwilling to express clear views on the matters because its views are not fixed. It is unwilling to explain its principles because it has no principles to explain. Instead, for the sake of a quiet life, it intends to avoid debate in Britain, while being carried on the left-wing tide in Europe.

There is an alternative agenda. We could have a Government who fought for the Europe in which we believe—who fought for free trade, low taxes, deregulation, job creation and a Europe that truly works in the interests of its citizens. Alas, all the signs are that the Government are not prepared to do any of those things. Instead they will go with the flow. Britain and Europe will be the poorer in consequence.

6.53 pm

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): When I listen to debates on Europe in the House, I sometimes feel that one should call down Chinese curses on both Front Benches. The reason is terribly simple: I believe that the United Kingdom electorate really do have the right to know exactly what is happening within the European institutions.

Unfortunately, our debates on Europe have now become almost set pieces, in which one side is prepared to say, "Your Government did everything wrong" in response to the other side, which is busily saying, "Our side intends to do everything right." I have been an hon. Member long enough to understand that such an approach to an important subject is not unusual. However, we have now reached such a stage in discussions on development, particularly of a monetary control system which will determine the United Kingdom's future for many generations to come, that we might be able to put before our constituents a rather clearer picture of what is involved.

I have just returned from Brussels where—following the dictates of my Ministers, who assured me that I would have a completely different attitude once I had gone—I returned to the haunts of my youth. I should say that, occasionally, I did actually live and work in Holland, in Belgium and in France. I am one of those strange people who do occasionally speak foreign languages. I also do not find that my physical presence in Brussels affects my political view one small iota. Perhaps it makes my view even worse, but it certainly does not change my attitude.

I think that we should now be saying that we have sufficient evidence to put before the British people about the implications of what is being proposed. We should say to them, "Talk about the report of the Court of Auditors", which, for the third time, has been unable to approve the accounts. The report describes in considerable detail straightforward fraud, although we have enough crooks in this country to understand the implications of that. People will be attracted where there are large sums, and it is not really surprising to discover that large institutions are unable adequately to control the amounts of money flowing through them.

We should, however, at least be saying openly now what we think of as subsidiarity and what we accept as central control. Ultimately, those are the only things that really matter. If we do not have a clear view of what policies are to be moved from the House and dealt with in European legislation, we shall never explain the political implications of doing so. The move towards a common currency must inevitably take with it a very clear commitment to a common taxation policy. I do not understand how anyone can pretend that that is not so. Some people would say that that consequence is not only sensible, but normal and, indeed, desirable. At least let us be reasonably outspoken about it. Let us say very clearly what the implications will be.

If we agree to measures, as we have done in the past, that bring with them a very considerable transfer of resources, let us say, "Fine; but that does not mean that we accept that there must be a common tax base or a common attitude towards taxation of particular industries. There will also be instances in which, for one reason or another, we wish to retain total freedom of action." The debate is not being framed in those terms. Too many people are already being given the idea that the debate can be thought of in highly superficial terms: "It would be nice if we had a common currency, because you won't have any difficulty changing your money when you want to go on holiday." I see some artificiality in that argument.

Do we really want a situation in which decisions are taken about major industries in a way that we cannot control? Let us take a small instance, involving an industry that I happen to know about, although it is certainly not one of the most important. If the British authorities decide to give specific taxation advantages to the film industry to encourage a local industry—to attract to Britain those who write and who act in British film productions that normally would have been made elsewhere, sometimes in Ireland but most usually in the United States—are they to be told in future that doing so is unfair discrimination because it is an industry that must have an absolutely flat taxation base right across the European Union? If so, fine; let us argue it out. However, let us not pretend that that is not the ultimate aim of many of the proposed changes.

Mr. Tony Baldry (Banbury): Has not the hon. Lady received an equal number of representations from United Kingdom industries concerned that there should be a "level playing field" with other member states, but complaining about the ways in which other member states subsidise their industries? Does it not logically follow that, if one has a single market, one has to ensure that there are rules of fairness that apply throughout that market, which otherwise will become distorted, often to the disadvantage of UK companies?

Mrs. Dunwoody: That is exactly the theory on which many people have operated for many years. That was why

we were told that there had to be the changes that we have already accepted. My experience of business, unlike the hon. Gentleman's, is that it will come and moan when it thinks that it can get some taxpayers' money, and will proceed in the manner that it thinks will benefit shareholders when it can operate without any constraints on its behaviour. I am, therefore, not entirely surprised when people complain to me about alternative industries and alternative countries.

I am saying something different—that the United Kingdom Parliament has a duty to tell the electors that when we talk about Euro money, we are also talking about Euro taxation and the ultimate aim of common bases. It does not matter whether it is taxation, industry aid or a long-term commitment to specific budgets; we are talking about common aims. I hope on some occasion to raise the inequities, absurdities and hypocrisies of the transport policies that we have been discussing this week in Brussels, because it is clear that there is a dichotomy in many institutions. The European Commission claims to be concerned about CO_2 emissions, yet it pushes hard for ever larger lorries to be allowed free access throughout the European Community. We should not allow that to go unobserved.

Both Front-Bench teams are failing to serve the populace well. They should tell the people in simple terms that within the next year and a half, there will be a concentrated campaign, funded largely by European Community money—of which we pay a large part—to try to persuade us that our future inevitably lies in a Euro monetary system that will have its final decisions made in another country and another system, which is not answerable, does not respond to its own monetary controls and does not meet with the agreement of its auditors.

That will have considerable implications for the British people. The major car firm in my constituency is owned by a large German company that has not only failed to give my constituents undertakings that there will be jobs well into the new century, but has said that it intends to move those jobs elsewhere. One of my rail freight firms has considerable difficulties. It wants to use freight paths across Europe and before long, it will face large national monopolies that are anxious to keep out competition.

I know what the problems are. I want a counter—I do not think that it will happen in the next two years—to the sophisticated, expensive and one-sided debate that we shall have about monetary control. I am sad that the House of Commons does not appear to be leading that.

7.3 pm

Mr. David Davis (Haltemprice and Howden): This is the first time that I have spoken in the House about Europe since I stood down as Front Bencher on the subject. I am a great admirer of the hon. Member for Crewe and Nantwich (Mrs. Dunwoody). I suppose that I was taking her advice early about trying to bring a cool, analytical approach to examining the Government's policies and strategies of the past year. I suspect that I ought to take that advice more than most, because I was probably a recipient of one of her Chinese curses when I was on the Front Bench.

Mrs. Dunwoody: Not just one.

Mr. Davis: Many Chinese curses.

Having watched the Government at work for 18 months, I am reminded of the old adage that the easiest way to create a Euro-sceptic is to find a Europhile and send him to the Council of Ministers. That is what happens to Governments during their time in office. In 1979, the incoming Conservative Government were broadly more tolerant towards Europe than the outgoing Labour Government. Something similar happened in 1997. The situation did not last in 1979; I doubt that it will last in 1999.

The Foreign Secretary has told us that Labour's strategy in the past 18 months has been to distinguish itself from the openly tough-minded approach of the previous Conservative Government by adopting an overtly Europhile approach. The present Government's strategy appears to be to demonstrate a willingness to make concessions up front in the hope of gaining more in return. I do not think that that is a misrepresentation.

During my three years as a European Minister, I attended 100 or more negotiating meetings, from small meetings of junior Ministers up to European Councils. I watched the other European countries play against each other as well as against us. My comments relate not just to our relationship with Europe. I saw a fierce competition of national interests wrapped up in communautaire language. I also watched the institutions continually promote a rising tide of European federalism, supported by a shifting alliance of the various member states. I never saw a concession given with no attempt to get something in return.

I started by doubting the strategy of volunteering concessions in the hope of eventual reward, but I waited to see whether I was wrong. I am afraid that I was not. Since the election, we have seen the ineffectiveness of the strategy, with concession after concession on our part, but gains that were non-existent, long overdue or trivial.

At Amsterdam, there were concessions on the social chapter, the giving up of our veto in 15 areas, the Schengen agreement, and new powers to the European Parliament and to Strasbourg. There was nothing new in return.

Mr. Desmond Swayne (New Forest, West): My right hon. Friend should be aware that at Amsterdam, a new protocol on subsidiarity was secured, but a careful reading of it shows that it means only that subsidiarity applies in those areas in which we have ceded no control to the European Union. When I pointed that out to the Minister, he did not demur, but merely replied that we should enjoy it while we still have it.

Mr. Davis: My hon. Friend makes my point more dramatically than perhaps I would.

I continued to wait after Amsterdam in the hope that perhaps there would be later concessions—in vain. We did not even get a seat on Euro X, despite the Chancellor's legendary commitment to the euro.

I obviously disagree with the Government's policy aims, but I am as disappointed as many others that their negotiating strategy, which was different from ours, has failed. I did not expect anything more, but I was disappointed, because that failure affects the national interest.

This week, we have heard more about monetary union and threats of tax harmonisation. We have already heard some robust exchanges between Front-Bench Members

[Mr. Davis]

today. It is not so long since Labour was claiming that monetary union did not imply any tax harmonisation or even pressure for it. Now we see proposals not just for tax harmonisation, but to remove our veto on tax law at the next intergovernmental conference.

Arguments about economic and monetary union as a solely economic project in Britain were always somewhat Alice in Wonderland. At meetings that I attended, nobody on the continent talked about monetary union except as a political project. The strongest debate was not about whether it was a political project, but about which should come first—political union or monetary union. All the exponents accepted that one implied the other. None of the Foreign Ministers or Prime Ministers I spoke to was in any doubt that monetary union was an integral component of political union.

It is no surprise that monetary union has brought with it the other trappings of centralisation of economic management. As the hon. Member for Crewe and Nantwich said, the corollary is a requirement for a large central budget to deal with the consequences. I should be surprised if we did not see that from our European colleagues in the near future. Anatole Kaletsky writes about that in *The Times* today.

The Chancellor would respond that he has a veto. That is correct and it is an important strength in his argument. Under no circumstances should he give it up. However, to imagine that the problems created by the start of monetary union can be resolved simply by the muscular use of the veto is at best simplistic.

Without the veto, Britain will face a catastrophic loss of sovereignty. Even with the veto, it will face serious difficulties; it will face many assaults and many pressures. Let us imagine that the United Kingdom Government manage to resist what will undoubtedly be increasing demands for tax harmonisation and other centralising economic changes, which are designed to eliminate what others regard as unfair tax competition that is destroying their jobs—we should remember that one man's tax competition is another man's unfair tax advantage. If that happens, the perception of unfair competition will go wider than tax issues; the Government's strategy will give rise to a more immediate threat to Britain's national interest.

The Foreign Secretary talked about European Union employment strategy. I fear that the Government may have created, without realising it, an economic doomsday machine that will do serious damage to the British economy in the medium to long term. For three reasons, monetary union will undoubtedly cause localised unemployment hot spots throughout Europe, even if it is successful.

First, the one-size-fits-all interest rate policy will cause unemployment in countries whose economies are on the down cycle when the rest of Europe is on the up. Secondly, countries that suffer badly from external shocks, such as collapsing markets in Russia or commodity price rises, will not have at their beck and call the fastest and most responsive economic mechanisms—exchange rates and interest rates—to prevent localised unemployment. Thirdly, the principal benefit of monetary union—the transparency of pricing across the Union—will mean stronger competitive pressures, which will lead more transnational companies to move production from the least efficient to the most efficient areas of Europe, taking jobs with them. The result of that will be high unemployment in some countries, irrespective of whether monetary union succeeds.

Mr. Baldry: My right hon. Friend paints a picture of Britain being locked into permanent conflict with the rest of the European Union and reaping no benefit from its membership. If that is the reality as he and others see it, a time may come when we should debate whether our continuing membership is in our interests or even Europe's interests. It may be difficult for us to continue to be part of the European Union if we constantly attack our own membership.

Mr. Davis: My hon. Friend takes the wrong end of what I am saying, which may be my fault. I was arguing that Europe, at its best and at its worse, is a marketplace of argument. There is clash and sometimes co-operation between the interests of member states. We should not be in any way blinkered about that.

We should determine what the mechanism that we are creating produces as a result of that interaction of nation states' interests.Over the past 50 years, the mechanism has encouraged growth in trade and enabled us to have half our trade with Europe. It has helped us to avoid military conflict between the various countries and has, no doubt, given us a range of advantages in other policy areas, such as home affairs.

Mr. Nicholls: Will my right hon. Friend give way?

Mr. Davis: Let me answer one intervention at a time, especially when I have been taken completely off the line of my speech. I am arguing that we should debate the structures that are to be built into the European Union with open eyes. We should see what we are creating and what the consequences will be.

Mr. Nicholls: I am grateful to my right hon. Friend for giving way. He seems to have come to the crux of the matter. If one reads the treaty of Rome—which I did rather late in the day—it becomes obvious that it is in the business of setting up a common market not as an end in itself, but as one of a series of steps in the creation a new nation state. My hon. Friend the Member for Banbury (Mr. Baldry) asks whether we shall ultimately have to ask ourselves whether we can go on like this. Whatever conclusion we draw, that is a fair question.

Mr. Davis: Of course it is a fair question. I am not sure whether it is an advantage, but I have read all the relevant treaties, including the Amsterdam treaty, more than once—three times in most cases. Almost all of them contain a multiplicity of objectives, which should be no surprise—they amount to the wills of 15 countries now, not to mention institutions such as the Commission, which operates virtually as a 16th nation state.

All member states must have asked themselves that question. I put the question to myself and discussed it during my three years in the Foreign Office, as my hon. Friend the Member for Banbury (Mr. Baldry) probably remembers. I always concluded that Britain's membership of the Union was not only to our advantage, but to the Union's advantage. We fill an important ecological niche—if there is such a thing—in the Union.

There were occasions in the run-up to the Amsterdam negotiations—I am being tempted to talk for much longer than I had intended—when Ministers from other countries told me, as Minister of State with responsibility for Europe, to veto the flexibility clause, for example. I said to them, not unnaturally, "You've got a veto. Veto it yourself." The response would be, "No, you must understand that some of us can't stand up to Franco-German pressure. Britain is the only country that can."

Regardless of whether that is true, the other countries collapsed on that issue and that was not the only time when Britain brought to bear in European negotiations a point of view that was unique, but very important to the European Union and its continued traditions of democracy. I shall now attempt to get back to the argument that I was making.

Mr. Blunt: Will my right hon. Friend give way?

Mr. Davis: This will have to be the last time.

Mr. Blunt: My right hon. Friend is on a most interesting tack, so it would be a pity to leave it immediately. Surely a point comes at which the British national interest must be considered in the light of the role that we are being invited to play in Europe. The Government are already in that position. After 18 months, they are now almost completely isolated on tax harmonisation and have to look to the Spanish Conservatives for assistance. It will not be long before they are absolutely on their own—a traditional British position. The question that must be answered is whether that will always be worth it for the United Kingdom.

Mr. Davis: The issue must always be in front of anyone who is representing our country or making these decisions for it. I am perhaps a little kinder to the Government than my hon. Friend is; I take the view that they are still learning.

The history of the European Union shows that, on almost every contentious issue, there is first an argument about a matter on which the veto applies. Then, if it is at all possible, the European majority tries to make that subject a qualified majority voting article, as happened with the working time directive, the pregnancy directive and a number of other directives. If that does not work, the matter ends up in the European Court. Most recently, we have lost zero ratings on industrial construction for commercial purposes, which I suppose is understandable, and, rather disgracefully, on spectacles and contact lenses—I cannot imagine on what basis the court found against us in that matter, but it did. If that process does not work, there is a Schengen outcome—the 13, 14 or 15 go another way, set up a caucus and organise things to their own advantage so that one finds oneself at a disadvantage.

In the next decade, we shall have to face such problems over tax harmonisation. There will be the perennial attempt to remove the veto at the IGC—I predict that that will be on every IGC agenda until the attempt is successful or until the nature of the Union changes. None the less, our membership is worth while, as we continue to benefit from it. However, we must always ask the question, as my hon. Friend the Member for Banbury said.

Before that minor diversion, I was making the point that the system that monetary union creates will lead to localised hot-spots of unemployment throughout Europe. What will be the reaction of the countries that face those hot-spots? Will they decide suddenly to pursue Thatcherite policies? Will they deregulate their labour markets, cut on-costs and create employment, as the previous Conservative Government did? Is that the probable future of the new socialist Europe? I hardly think so.

We do not need to guess. We already have an example—we can read the book. About two years ago, Renault closed its factory in Vervoerde in Belgium—near the constituency of Jean-Luc Dehaene, the Belgian Prime Minister—and moved the production to France. What did Jean-Luc Dehaene do? Did he say that Belgian workers should cut their costs; that Belgian managers should become more efficient; that his Government would cut the burden of regulation and taxation on industry?

Certainly not—of course not. That is ridiculous. He called for an end to social dumping. He called for more regulation and harmonisation, and for more rules to stop the free operation of markets within and between the nations of Europe. That happened last time, and it will happen more and more often under the pressure of monetary union-created hot-spots of unemployment.

The difference this time is that there will be a mechanism for that call for more regulation to be turned into action. That mechanism, I am afraid, is the social chapter—not just the social chapter, but most specifically. The social chapter was created to allow harmonisation of labour law, and the Government have explicitly signed up to legislation under the chapter.

The harmonisation that we face that is most immediate is not tax harmonisation, but labour law harmonisation. We know from our history that that can cripple flexibility and growth, and can destroy jobs. It is not just the Opposition who know that—the Government commissioned the McKinsey report on the determinants of growth and the restraints on growth in this country. What was among the top three? Education and investment were not there, but competition and deregulation were. We know that the harmonisation of regulation will be very dangerous to our ability to create jobs. I want the Minister to say how the employment strategy of Europe will deal with this very real threat to British well-being and to British people's jobs.

7.23 pm

Ms Rachel Squire (Dunfermline, West): I agree with the right hon. Member for Haltemprice and Howden (Mr. Davis) that there is an advantage for Britain to remain as a member of the EU. When the right hon. Gentleman was a Minister, the Select Committee on European Legislation—of which I was a member—always appreciated his detailed knowledge of the issues on which we questioned him.

In common with my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody), I want an open and informed debate on all the issues of concern to us in Europe. However, the speech by the shadow Foreign Secretary, the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), and some of the interventions from Opposition Back Benchers have demonstrated how difficult it is in this so-called mother of Parliaments to have informed and balanced debate on such issues of importance.

[Ms Rachel Squire]

Many Conservative Members and the tabloid press consider it incompatible for someone to be both pro-British and pro-Europe. The reaction of some of the media to anything to do with Europe—not least this week—seems at times to verge on encouraging xenophobia. The reaction is one-sided—they see Europe as the enemy, bent on invading our glorious island. They ignore some of the advantages and benefits that our membership of the EU has given to us and to our constituents.

The right hon. Member for Haltemprice and Howden mentioned some of those benefits, and my constituents certainly appreciate the ease of travel, the access to goods and markets of the EU, and European funding. Many constituencies, such as mine, have seen their traditional industries and areas of employment destroyed, and European funding has assisted in their efforts to create new jobs and economic regeneration.

If we are to deal effectively with many of the issues of concern, we must recognise that that can most effectively be done on a European and an international basis. One example of that—on which the majority of Britons would agree—is that tackling effectively the drugs industry and international crime must be done internationally.

I recognise that a number of hon. Members want to speak, and that the EU is a large subject to try to cover. I have decided to focus my remarks on two areas, both of which provide big challenges for the EU—first, the common foreign and security policy, and secondly, the challenge of making Europe seem more relevant and accountable to the lives of the people whom we represent.

Britain's relationship with Europe has been one of constant development and change, as those who are familiar with our history will know. It may help to remind ourselves that the very concept of the nation state is a fairly recent development in terms of European history. We must disentangle ourselves from the views of those hon. Members who still seem to cling and hark back to the days of the glorious British empire.

By virtue of our history and geography, Europe is where we are now, and it is where we must have a leadership presence in the 21st century. I am keen for us to have more debates on a common foreign and security policy for Europe, and what that would entail. Because of our geography, history and international reputation—and our high standing among nation states in many parts of the world—we in Britain are in a key place to take a lead. The process of European enlargement means that we must engage in a constructive dialogue on foreign and security policy.

If we are to succeed on the social and economic fronts, we need a stable and peaceful Europe—one where there is a good understanding of the different perspectives, of which there are many, due to the different locations of current member states and those states seeking to join. It is only by communication that we can try to break down some of the years of hostility, distrust and suspicion that have existed between some of those countries, develop a dialogue of trust and share a common agenda.

The "Partnership for Peace" process has demonstrated the success of that communication and joint working. It has brought together nations which, not so long ago, were clear enemies, and it has helped to break down quickly some old attitudes and prejudices.

The European Union has a role to play in that, and it cannot be left entirely to NATO, although I fully agree that NATO is the bedrock of our defence in Europe. Only through a close and constructive relationship with our European partners on common foreign and security interests can we seek to make an even greater positive contribution on the world stage.

I want more debate on the common foreign and security policy. We have a real mix and match of categories of countries in Europe that are involved or interested in our foreign policy, security and defence. There are countries that are in both the EU and NATO; those that are in the EU only; those that are in NATO only, and want it to stay that way; those that want to be in both; those that have been promised membership of one or the other; those that want to join both but are feeling rebuffed; and those that want to stay outside but somehow have a special relationship with Europe.

We need to focus more on the subject. As they would say in Scotland, we have the auld alliance with France, which wants to remain semi-detached from NATO but to raise its profile in European security issues. As we have seen all too clearly, that mix and match has made it extremely difficult for us and our European partners to agree and stick with a common approach when facing an international crisis, whether in Kosovo or in Iraq. Many hon. Members are keen to have a more rapid and effective European response to such crises, which affect the peace and stability of Europe.

I welcome the way in which my right hon. Friends the Prime Minister, the Foreign Secretary and the Secretary of State for Defence are trying to open up the debate on the EU's defence role and the future role of the Western European Union.

We also need to consider the future of the industries that give a technological lead in the EU, many of which are strongly associated with the defence industry. Those industries have been telling me that they want the EU to be more active in helping them effectively to rationalise into a strong and effective competitor of our close and special ally, the United States.

Most of our constituents do not regard Europe as affecting their everyday lives or as being interesting or accountable to them. It is seen as remote and bureaucratic, and as providing a convenient gravy train for unaccountable officials. It is in our interests as a country to challenge that view and to promote greater openness and accountability, not only in our own system of government—as the Government have done with the creation of the Scottish Parliament and Assemblies for Wales and Northern Ireland—but in Europe.

Anyone who has been an election agent in a European election, as I have, will know how difficult it is to persuade members of the public that the matter is one of key concern to them.

Mr. Blunt: The hon. Lady is inviting us to have the proper debate for which the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) called. There is a substantial political implication behind economic and monetary union. Does she agree that we should now consider the political and democratic accountability that will have to

be built around the single currency and the single economy to make the European institutions accountable to her constituents and mine?

Ms Squire: I would certainly welcome a far more open and informed debate on all issues of concern in the European Union, be they economic, social or foreign policy-based. It is depressing how difficult it seems to be to have that debate without getting a tabloid reaction from some of the media: they do not give us information on or arguments for and against the various aspects of our approach to Europe.

My right hon. Friend the Foreign Secretary suggested that we should identify clearly those areas that should come under subsidiarity and those, such as the drugs trade, on which an international or common approach can be of mutual benefit.

I welcomed the fact that, at the end of our presidency, one of the conclusions reached at Cardiff was that a sustained effort is needed to bring Europe closer to the people. That is even more important now, when countries without our long tradition of parliamentary democracy and debate are joining the European Union. I welcome the ideas coming from independent groups such as the Centre for European Reform about how we can make the Commission more accountable. I do not know whether that should happen through elections, but I would like to hear people's views on the subject.

Mrs. Dunwoody: Does my hon. Friend really think that there will be any move towards electing the Commission? It is a hybrid organisation in which jobs are reserved according to nationality. Its very rigidity makes it impossible for it to become accountable, and that is what occasions the grave reservations that many people in the United Kingdom have about it.

Ms Squire: I am by no means advocating any particular approach. I entirely agree that the Commission is seen as remote and unaccountable, producing endless reams of paper that no one can understand. I would like the Commission to be introduced immediately to the Plain English Campaign so that it produces stuff that is readable. I would like the House to have more open debate on how we can make the Commission and other European institutions accountable and help our constituents to feel that there is a direct link between those institutions and the reality of their everyday lives.

There is no future or comfort in adopting a British isolationist approach. We know only too well from the history of this century what a high price Europe has paid for isolationist approaches in individual countries. They have fed territorial instincts, prejudice and ethnic conflict. The best tribute that we can pay to those who have sacrificed so much for our peace and freedom is to seek co-operation, partnership and communication with fellow member countries in the European Union.

7.40 pm

Mr. David Heath (Somerton and Frome): In my brief experience of the House, I have noticed that the only thing that stops foreign affairs debates being timetabled for Friday mornings is if the House is not sitting. In that case, they are held on Thursday evenings, but it would be a pleasure at some time in the future to attend a foreign affairs debate in parliamentary prime time. Nevertheless, we have had a valuable debate with some interesting contributions.

In many ways, we have had an interesting political week and the crisis—one might say disaster—that has befallen the Conservative party in the past day or so has been fortunate in many ways, not least because it drew the press's attention away from their unremitting campaign of questioning the direction of British European policy. The crisis even brought *The Sun* back from expressing itself in inadequate German to its normal practice of expressing itself in inadequate English.

When the Foreign Secretary appeared before the Foreign Affairs Select Committee earlier this week, I asked him whether he felt that there had been a change in attitude to the principle of subsidiarity in the European Union. He was more sanguine than I believe was justified in the circumstances. In the past few months, a renewed climate of indecision, even hostility, has developed around some basic tenets, which I am sure I share with the Minister, behind the development of the European Union.

Everything must have seemed very different only a few months ago when we watched the election of the new German Government, which joined other socialist Governments—at least nominally—across Europe. It must have been with some glee that the spin doctors from No. 10 and the Treasury visited continental Europe to talk to Mr. Jospin's médicins de rotation and Mr. Schröder's Drehungdoktoren. Together they would be able to form a miasma of European spin to create the new European way, as it was described, which may be a continental version of the third way. However, it seems that all that effort was in vain, because it has all gone wrong in the past week. We may draw a couple of morals from that. First, do not let the Treasury try to run foreign affairs, because it is not equipped to do so. Secondly, there is still a real debate about the direction of the European Union and the arguments have not yet been won. The difference between this Government and the previous Government is that we are all now at least engaged in the arguments and can contribute to them. I hope that is what will happen in Vienna.

Earlier in the debate, the Foreign Secretary quoted Chancellor Klima as saying that tax harmonisation would take up one minute of the time in Vienna. I sincerely hope that he is wrong, because that crucial question should be addressed by the heads of state and foreign secretaries. The controversy we have seen in the newspapers in the past week has been somewhat synthetic. Mr. Lafontaine has conveniently been portrayed as the new bogy man—the new thing of the night—to replace Jacques Delors, in his time, and Jacques Santer, although the latter never had a sufficiently exciting persona to cut the mustard as a bogy man. Mr. Lafontaine has some potential in that area. We have seen proposals from 1996 dredged up and displayed as a real and current danger of standardisation across the European Union.

It would be offensive if I were to appear patronising to a senior politician of a partner Government, but Mr. Lafontaine has not been helpful to the European debate in the past week, for a couple of reasons. One is that, after a long period in opposition, he is a member of a newly elected Government. As we have seen, that sometimes causes people to speak in haste and then repent at leisure that they were not quite as diplomatic as they should have been. Another reason is that Mr. Lafontaine

[Mr. David Heath]

is a Saarlander—that is an important factor. He looks out of the window in Saarbrücken and sees people coming across the bridge every morning from the villages around Sarreguemines on the other side of the border. In that part of Europe, harmonisation is a real factor, because people live in France and work in Germany and vice versa. The border is very porous and the effects of that are a factor in his political make-up.

In recent days, the British Government have gone some way to addressing the issue, although not as plainly as I would wish. I am disappointed that the rebuttal of the proposals for tax harmonisation has been couched in a chimeric expression of sovereignty, because there are strong arguments against harmonisation that have nothing to do with sovereignty, important though that is. First, it removes the only element of flexibility within the rigid framework of tax policy that the Maastricht treaty laid out. Secondly, tax harmonisation cannot be reconciled with subsidiarity. The two do not go together. If one is genuine about subsidiarity, national Governments must have the freedom to set tax levels. Thirdly, tax competition is a useful mechanism. Genuine tax competition—I do not mean tax evasion or the abuse of the tax system that we see in some of the tax havens dotted around Europe—helps to establish economic parity between nations. Although harmonisation of tax levels across international borders may sometimes be a good thing, compulsion is not. The argument is the same as for compulsory competitive tendering in the domestic sphere. There is nothing wrong with competitive tendering, but if it is made compulsory it is wrong because it forces distortions on local choice and on the end result. We must also point out to partner states in Europe that tax harmonisation could also prove painful to their national interests—the President of the Commission may recognise that from his national background.

My second point concerns the protocol on subsidiarity. I was pleased to hear the Foreign Secretary say that some of the mechanisms of that protocol may be put in place before the eventual ratification of the Amsterdam treaty. The tragedy is that that has not happened already. If the nations of Europe were agreed that subsidiarity had to be made a reality, why was not the European Commission required from day one to justify any proposals it made in subsidiarity terms? There is no reason to wait for ratification. It is essential to see whether the protocol produces the right results. I would go further. We should seek codification across Europe, not just of treaties, but to establish the basic principle of subsidiarity—devolution of power to the lowest available level. We simply do not have that now.

I know that it is unhelpful to talk of a constitution for Europe, because others use that phrase in different ways, and it carries implications of a superstate, which I certainly would not support. However, we need something that says that some things are best done locally, regionally or nationally. Only matters better dealt with at the European level should be dealt with at that point. Such change should be retrospective, going into the acquis communautaire. We cannot leave aside all that has been done to date, saying that it was right just because it has been agreed. Times change, and matters ought to change with time.

I hope that the Vienna council will address the management of the EU and how the Commission organises its affairs. The Court of Auditors report on the mismanagement of international aid was so damning, not just of the small element of fraud, but of the much bigger element of mismanagement and simple incompetence that it cannot be left to the scrutiny committees of the European Parliament to put matters right. The Governments of the member states must call the Commission to account, and must say that that state of affairs cannot continue. We must have better management.

The British Government have exactly the right attitude towards budgetary control, and they should work with those who take an equally well defined view of how that control can be implemented. I mention with approbation, because I have spoken to him a number of times and I like what he says, the Finnish Commissioner, Mr. Liikanen, who has done a good job in putting forward proper suggestions for control of the European budget.

The proposals on EU co-operation on justice and home affairs are an important area for further development. We have seen initiatives on combating the drug trade, or international crime. However, a degree of—dare I use the word harmonisation; probably I dare not—co-operation across Europe is important to make sure that internal security measures are compatible and effective.

The Government will have to reconsider their position on asylum and immigration to ensure that our policy is compatible. The same is true of the future of the Schengen agreement, because we shall eventually find that it is in our national interest to have a degree of association with it. We must, of course, recognise our particular position as an island state, with all that that implies, but we must, nevertheless, consider the Schengen agreement anew.

The common foreign and security policy will be crucial. I wish the Prime Minister well on his day trip today to St. Malo, as I wished him well in Pörtschach. I wish, however, that he would occasionally share with the House the thoughts that he is so willing to share everywhere else in the world about the future of the common defence and foreign policy. He is exploring new areas of crucial importance, and the House ought to be able to express an opinion. As the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) said, we received no statement after Pörtschach, despite the best endeavours of Conservative and Liberal Democrat Front-Bench spokesmen to encourage the Prime Minister to give us one. I hope that he will explain his thinking to the House in the very near future.

We must maintain a commitment to NATO, an organisation of desperate importance to us. No one argues with our maintaining the inalienable right of the British Government to be the only body that can send British troops into danger. Anyone who feels that that can be short-circuited is quite wrong. Even so, it must be good to increase co-operation, and to increase the capacity to integrate the armed forces of Europe, particularly those of Britain and France, the real players who have strong armed forces in the European theatre.

In foreign policy, it is time that a senior diplomatic representative was appointed. It has taken too long to reach that point. Many Members are simply unaware of the scale of the European Union's diplomatic corps across

the world, which is enormous, but undirected. We must fix its direction, and we must, in whichever areas we can, agree a common policy. That is particularly true in continental Europe, on the fringes of central and eastern Europe and in the Mediterranean area. One of the great negatives of the past year has been our complete inability to do anything effective in Algeria, on our doorstep. That failure speaks volumes for the need for a better integrated foreign policy.

EU states have already done quite well at integrating efforts at the United Nations, but I hope that we can do more. There is a high degree of interplay between the permanent representatives of the EU states at the United Nations. However, we heard in the Gracious Speech about the Government's commitment to UN reform, an area on which Europe has something important to say. I hope that we shall not consider only Security Council reform, because that may prove to be a dead end up which it is impossible to secure the agreement of other member states. Other areas are in desperate need of reform, and of new investment that can come only if we reduce overheads in areas in which money is being mis-spent because of a lack of will to look seriously at the distribution of funds. In particular, some agencies no longer perform a useful function, and their time, frankly, is up.

As a European entity, we should put real pressure on the United States of America to pay its arrears to the UN—it is scandalous that it is $1.5 billion in arrears. The Administration's arguments about difficulties with Congress will not wash. Insufficient effort has been made to ensure payment of those arrears, and we must pressure the USA, not least because we are the main creditors. Britain, France and the other countries that contribute to peacekeeping operations are not being paid because America will not pay its bills.

On Agenda 2000, the Cardiff timetable is desperately important if we are to see proper reform of the institutions. The Germans say that they are committed to it, and I ask the Government to ensure that that commitment is made explicit at the Vienna council.

Progress has been made on enlargement, even among some countries not in the first phase, such as Latvia, Lithuania and Slovakia, with its change of Government, and I hope that they will catch up rapidly. The Government should continue to adopt the principle of inclusiveness. We must make sure that everyone who is potentially in the running is encouraged to stay in the running.

The same applies to those countries in the first wave that are not making the necessary reforms. Having visited Prague recently, I am frankly disappointed with how the Czech Republic is meeting the demands of accession. We must tell such countries that they must ensure that they do what is necessary.

I shall finish by referring to two areas of current attention that the Vienna Council will probably touch on. The first is the crisis in Russia. It is desperately important for the European Union to do something effective to ensure stability there during the present economic crisis. We must also think of the countries that are still dependent on Russia irrespective of the changes of recent years, such as Belarus, which is not an easy country to like, but which we nevertheless need to embrace and Ukraine, which we often forget. Ukraine is a country the size of France and it will be on the borders of the European Union if Hungary accedes, yet we forget about it. We cannot afford to do so.

Finally, I hope that Kosovo will still be on the agenda at the Vienna Council and that we will ensure that we make a concerted effort on humanitarian aid. A few months ago, I visited the former Yugoslav Republic of Macedonia. I went to the border, although not to Kosovo, and could see to some extent what was happening there. One problem is the almost complete lack of building materials. It is difficult to get them in peaceful Macedonia. How much more difficult it must be in Kosovo, given its devastation and the non-co-operation of the Serbian Government. We must tackle that problem and contribute positively to the extraction force, as we have been doing, to ensure that it is integrated into the Kumanovo area and does not cause any further difficulties for the Macedonians, who have gone through a difficult period.

I hope that we will also consider the interests of other neighbouring states. We cannot afford to forget Albania and Montenegro, which is the forgotten part of the former Yugoslavia, but has the capacity for destabilisation, which is a serious matter.

In conclusion, I must simply say that there was an attempt to form an Anglo-German axis a month or so ago. I suspect that it has not succeeded. Nevertheless, we must maintain our engagement, our interest and our persuasion, if the European Union is to develop as we want and, by we, I mean not only Opposition Members but those on the Treasury Bench, who share that view, I think. If we are to make sensible developments and to achieve reform, we need friends to do that. We need to work to form a creative coalition within the EU, which recognises the dangers of carrying on as it has done and the deficiencies in the present structure. It should work hard to reform the EU, bring it closer to the people and make it answerable, responsive and democratic—all those things that, in many ways, it fails to do at present. If the Government can achieve that at the Vienna Council, I wish them well.

Several hon. Members *rose—*

Mr. Deputy Speaker (Mr. Michael Lord): Order. Before I call the next hon. Member to speak I must remind the House that a number of hon. Members still want to catch my eye and, unless speeches are considerably shorter than they have been, some of them will be disappointed.

8.3 pm

Mr. Alan Simpson (Nottingham, South): I am an unashamed admirer of my right hon. Friend the Foreign Secretary. When Labour came to power in May 1997, I thought that one of the greatest contributions that we could make as a Government would be the intellectual ability and clarity of mind that he would bring to the European dialogue. I continue to hold that belief, so I hope that he will not mind if tonight I expand the area of my admiration a little.

It is important to break away from some of the caricatures that have appeared in the press in the past week, which have verged on the xenophobic and which do not do justice to the contributions that two people, Oskar Lafontaine and Dominique Strauss-Kahn, are making,

[Mr. Alan Simpson]

which we should recognise. Their contributions to the document, "The New European Way", move us into the arena that many of my colleagues have sought to occupy, which is a thoughtful discussion of the future of Europe and the practicalities of that future. I have many and various disagreements with the document that they helped to produce, but its importance—I would recommend it to the whole House—is that it forces us all to think about the practicalities of a common European future. It is not riddled with slogans and soundbites; it attempts to tackle the serious preconditions that will have to be in place if we are to provide a stable European future.

In the document, the authors recognise that fiscal stability is not the same as social stability. Europe has had fiscal stability in a single currency before—at the end of the 19th century, under the gold standard. The only problem was that it left deep scars in the social landscape of Europe. Because there were no mechanisms for social cohesion, that standard left people in deep troughs of famine and starvation. They were pushed into large-scale migration and social upheavals, which in turn caused deep disruptions in society.

In revisiting the agenda for a Europe that is united within a single currency, the architects of that paper recognised that other mechanisms must be in place to underpin a single currency and make it sustainable. I confess that I am not a believer in a single currency and do not think that it can work in the circumstances in which we are trying to construct a common European future. There are many better ways to construct that common future.

However, the authors of the paper force us to recognise what measures must be in place. The reality is that, both in the world as it is now and in the history of single currency zones, there is no record of any system that has been stable and secure without two things being in place. The first is a consensus about how to raise taxes, and the second is a credible mechanism for redistributing them to provide social cohesion.

Those who say that the single currency will not require us to harmonise income taxes, pensions and benefits and who look to the United States because of the flexibilities that exist there—different income tax rates in different states, for example—must take a step back and recognise that the underpinning of that system has a set of consequences to which we may or may not want to subscribe.

I was fortunate to obtain from the Library some of the figures to show how the US single currency zone is different from our own. At the moment, the contribution of US taxes as a proportion of gross domestic product is as follows: 12.3 per cent. go directly in federal taxes; 5.6 per cent. go in state taxation; and 3.6 per cent. in local taxes. We do not have an equivalent to US state taxes. The current position in the United Kingdom is that 27.5 per cent. of our taxation, as a proportion of gross domestic product, is national and 1.4 per cent. is local. If we wanted a system with the same income tax flexibilities as the US system, we would have to recognise that it underpins its system through that shift in the collection of tax revenues to the federal level. If we were to apply that system in Europe, it would mean the direct transfer of taxation—of some 20 per cent. of our GDP—to a European federal level.

I remind the House that the United Kingdom's contribution to European structural funds will be 1.27 per cent. of GDP at the beginning of next year. I have not heard anyone argue the case for retaining within the nation state the flexibilities of variable and differing income tax levels, by underpinning those with a 20p in the pound shift in taxation to European federal structures. I should like to be with any Member of Parliament who tried to explain that on the doorstep. I suspect that the only thing it would prove is that, under conditions of extreme pressure, all Members of Parliament can run the 100 metres in an extremely short space of time, because we would get short shrift from the electorate were we to make that case. We must be careful about saying that tax-varying flexibility can currently be found in the United States of America. It is not the same and it is dishonest to suggest that it could exist here without there being a substantial shift of direct tax contributions from member state level to European federal level.

Mr. Letwin: The hon. Gentleman is making a most interesting and thoughtful speech—indeed, the point he has just made is seminal. However, does he agree that a further point goes with it—that for all sorts of obvious cultural reasons, mobility of labour within the United States is vastly greater than can be expected within the European Union; and that, therefore, the need to adjust to those flexibilities through central funding is paradoxically less in the United States than it will be in the European Union?

Mr. Simpson: That is an important point. Most serious analyses of conditions in Europe, both positive and negative, recognise that language and culture make the people of Europe far less mobile than the population of the United States of America. In addition, the greater the levels of that forced internal mobility, the greater the social conflict that arises between local communities and those who are defined as outsiders, so I am cautious about where that would take us.

On the other hand, we could argue that it would be possible to have internal redistribution mechanisms of the sort in which Germany gave an inspirational lead. When Germany was reunified, one of the commitments that the west made to the east took the form of a solidarity tax, which recognised that huge transfers of resources were needed to end the poverty and build the basis of social inclusion in a united Germany. The equivalent of an extra 7p in the pound in taxation was voted by the German people in order to build that basis of social inclusion. I have nothing but admiration for the Germans for doing that.

Is that immediately translatable to a European Union level? Sadly, the answer is no. As was demonstrated by the Court of Auditors report—which was rightly raised by my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) in relation to democratic accountability—the problem affecting European institutions as they stand is that there are huge weaknesses in the way in which Europe is able to manage and account for money, with £3 billion unaccounted for and up to 5 per cent. of funds lost to fraud. It is not acceptable for any of us to apportion blame for that, because we are all caught up in it. This country is no holier than any other member state in terms of the misuse of funds and the abuse of European structures in our own interests.

The problem is that, if there was a shift in funding into European structural coffers and the amount was multiplied by five, fraud would be multiplied by 50. That is the consequence of trying to put more resources into a framework that is clearly deeply and seriously flawed. Those who believe in a single currency and want it to work must acknowledge that the institutional and financial structures of Europe would have to undergo a massive sea change in order to make it possible.

The document I referred to earlier sets out the key challenges that must be addressed if social cohesion is to be built in a future European context. I shall quickly deal with the key points. The first is found where the authors, in a lovely little sentence, call for

"better coordination between monetary policy and employment and wage-policies",

and also

"a dialogue between the institutions responsible for economic policy, including the ECB and the European Social Partners".

That is wonderful for those accustomed to attempting to decode the contents of European documents. The authors want there to be democratic political control of the European central bank. For those of us who never really believed that Steady Eddie should have been allowed out on his own, it is welcome to hear that our social partners in Europe want democratic control of the ECB so as to deliver full employment policies and social inclusion policies, which are at the centre of their social, political and economic agenda. That would, of course, require a certain renegotiation of the Maastricht treaty, but between consenting adult member states, that strikes me as a perfectly legitimate objective because it is an essential underpinning of how to deliver social stability in Europe.

The second key point the authors make is:

"In the last decade evidence from the EU has shown a disproportionate increase in the fiscal burden on immobile factors, especially labour, coupled with a reduction in the burden on mobile factors, especially capital."

The partnership between socialists and social-democratic partners in the European Union has at last recognised that there has to be a shift in the burden of taxation on to feckless and footloose capital; that we cannot continue to ask the poor and those who are in work to carry the tax burden for an increasingly reckless and deregulated global economy that is driving us all to ruin. I welcome the fact that the authors of the document have put that point so clearly on the agenda.

The third point is to observe that

"EMU will intensify the potential for tax competition. Therefore, further efforts have to be undertaken to avoid harmful tax competition among the member states."

That is absolutely clear and absolutely right, if we are to avoid the flight to tax havens, eliminate hidden subsidies and avoid a game of beggar my neighbour in which we all try to undercut each other or to set up systems of corporate welfare, whereby we offer bigger bribes to lone-parent companies to come and live with us for a time based on an enduring love for which we are to pay good money. If we are to avoid all that, we have to find other ways of developing a sense of coherence and cohesion in the systems of taxation of corporate earnings. It is essential that we do not, whether within a single currency zone or not. The authors make the point that that effort is essential, if we are to

"make further progress in tax and benefit reform."

There has to be a sense in which that inclusive Europe allows us to enjoy the security and benefits that are present in the best economic arrangements, instead of being pulled down to the levels of the worst.

In that revisiting of a common view of Europe's tax arrangements, the authors say that there has to be a greening of the tax system and a co-ordination of savings and corporate taxation, not only within Europe but at the level of the Organisation for Economic Co-operation and Development. They want that to be the basis for the introduction of new Europe-wide regulations which use Europe as a lever to compel the institutions of the global economy to re-regulate global forces.

I hope that hon. Members on this side of the House at least will address that agenda seriously. I hope that we will applaud the initiative taken by our sister parties in Germany and France and by the coalition of parties that contributed to this document. I hope that the Government will agree to take forward several practical suggestions from this debate. I think that the document has serious shortcomings, but we could substantially improve the dialogue and the direction in which it is heading.

I shall conclude by making four suggestions. First, in the discussions about how best to harness footloose capital it would be helpful to consider the devastating destruction of tidal speculation movements against countries and currencies globally. A European-wide lobby must change the international financial architecture so that we can introduce a transactions tax on speculative capital. That is commonly referred to as the Tobin tax, as Professor James Tobin of Harvard university was the first to suggest it. It involves imposing a tax rate of 0.5 per cent. on speculative capital movements. That would be sufficient to raise the reserves that could underpin and support countries that are subject to speculative ventures against them and act as a disincentive to speculative, but not serious, investment.

My second suggestion concerns our treatment of other forms of footloose capital. We are currently bombarded by reports in our daily newspapers about factories closing in order to rationalise production elsewhere. The scale of job losses is sometimes breathtaking. As I entered the Chamber tonight, I picked up a letter about my constituency, where Marconi Communications has announced that

"a review of the Group's facilities has shown the potential for a reorganisation that would reduce costs and increase efficiency."

Unfortunately, the review requires the group to make 1,000 people redundant in order to continue its policy of production based on "high growth" and "high margins". That means that it will no longer operate in my constituency

America takes an interesting approach to that problem. It is already exploring the idea of "A" code taxation based on the "site here to sell here" presumption. America believes that companies cannot reserve the right to sell into the US economy goods that they are unwilling to pay to produce in that economy, or because they are unwilling to sustain wage rates in production and contribute to tax revenues that would begin to relocate or retrain those whose labour they have abandoned. The Americans are toying with the idea not of ending the notion of public subsidies for industry and essential manufacturing, but of trying to build a stakeholder component into that process. We must tell the corporate sector that there are no free

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handouts: we are talking about obligations that accompany entitlements. Those obligations are based on public stakeholdings rather than unconditional public subsidies.

My third suggestion is that we should expand on the document's ideas about green taxation. We have yet to have a serious debate about the different types of green taxation and the difference between progressive and regressive green taxation. I remind hon. Members of our clear slogan and principle in relation to the environment that we must pursue policies that make the polluter pay. We should also ensure that the footloose polluter pays more.

Earlier today, I referred to the Raleigh bicycle company in my constituency, which has spent about £28 million on a new production line with extremely high levels of environmental responsibility. It has reduced by a factor of 10 both in-plant pollution—the health and safety contributions—and end-of-line pollution. It has introduced wonderful through-put technology. However, the company complains that it is forced to compete on a price-only basis with Chinese or Taiwanese manufacturers who never accept any responsibility for reducing pollution in the production process.

We cannot pursue a common European policy that rewards the environmentally profligate and penalises those who operate within our domestic and European economies producing the environmental standards that we wish to see and share in. If we adopt that approach, we shall be able to take a lead in defining the economics of the 21st century and give practical form to the pledges that we made in Kyoto. If we do not have sustainable economics in the next century, we are likely not to have any economics worth talking about. We have done so much damage to our global climate and biodiversity this century that we will have to spend a large part of the next century undoing that damage and restabilising.

Finally, the document poses a clear challenge to define what a system of redistributive taxation would look like at a European level. In many ways, the closest that we have come to responding to that challenge in this country is the recent Acheson report on health. Acheson sets down a benchmark for measuring the necessary redistribution of resources and explains where we need to begin in a health and environmental context. If we were to take up those ideas and throw our responses to them into a European dialogue, I am certain that we would take a lead in Europe that many of our European partners would gladly follow.

I believe that that is the basis upon which we can define a stable, secure and inclusive Europe. It will be the case whether or not we have a single currency. I believe that the divides around the single currency issue are seriously flawed and misguided. At times, it is like trying to get our towels on to the deckchairs before our German or French competitors when the boat is the Titanic and we would be better off advising people to look for the lifeboats. That is the danger inherent in limiting the single currency debate.

"The New European Way" sets out the pillars from which socialists and social democrats across the whole of Europe should be able to find a common agenda to provide a secure common future. I hope that Ministers, especially my right hon. Friend the Foreign Secretary, will have the courage to take that lead.

8.29 pm

Mr. Patrick Nicholls (Teignbridge): I congratulate the hon. Member for Nottingham, South (Mr. Simpson) on that magnificent speech. I remember meeting him many years ago when I was a Minister and travelled to Nottingham. I think that he has worn rather better than I have—but that is the way of things. He made a masterly assessment and analysis of the lessons to be learned from the American experience in so far as it has implications for us. I should like to think that the speech will commend him to those on the Labour Front Bench, but I am not sure that it will.

This is my first opportunity since the general election to contribute to a debate about the European Union. In fact, the issue of Europe dominated my election campaign. I found that the only thing that people wanted to talk to me about when they saw me in the street was the European dimension. I attribute my somewhat thinner majority in the election to the fact that because we have not closed down the argument by answering the question that people asked—"Where do you stand on a single currency, one way or the other?"—the subjects that the vast majority of people wanted to discuss with a Conservative candidate were never raised.

The conclusion that I drew was that we should never find ourselves in that situation again. That I why I am delighted that my right hon. Friend the Leader of the Opposition has adopted a position on the single currency which strikes me as being right and intellectually honest, and which commands the widest support among the people who spoke to me in the election campaign.

The single currency is sometimes spoken about as an end in itself, as though it was a new phenomenon that has suddenly darkened our horizons. I came to the issue somewhat late in the day. As I recall, I voted against entry into the Common Market, but that was probably very much on the balance of probabilities. I cannot honestly say that, cheerful and young as I was at the time, I gave it a huge amount of thought. The first time I gave the matter serious thought was in 1988. I was a Minister in the Department of Employment, where I was responsible for trade union reform. One day the Minister of State who used to deal with matters European found that he had a tummy upset or some such indisposition and could not go to Europe. I was told, "Minister, you are going to Europe. The car is downstairs, the Red Box is on the seat, and you can read the papers on the way over."

On the way over I read the papers, which were straightforward. At the bottom of my Box was an extra document, a copy of the treaty of Rome. I read it for the first time, and was both appalled and shamed by it. I had always accepted that the treaty of Rome was about establishing a common market. I had believed what I had been told. In the White Paper that preceded our entry into the Common Market, we were assured that

"decisions are only made if all members agree".

We were also told:

"There is no question of Britain losing essential national sovereignty."

There was no question at all—it was inevitable.

When I read the treaty of Rome, I realised that it was about establishing not a common market, but a new nation state, and that the establishment of a common market was merely a step down that road. Anyone who reads the

treaty of Rome realises that the common market, the single currency and so on are deliberate stepping stones to a federal destiny. Members of my party should recognise with contrition that our European partners realised that throughout. We did not, because we accepted the assurances that we were given that federalism was not on the agenda.

My hon. Friend the Member for Reigate (Mr. Blunt) quoted Hans Tietmeyer, the president of the Bundesbank. One of his predecessors, Karl Blessing, said:

"The final goal of the Commission is a European Monetary Union. . . A common currency . . . is feasible only if, apart from a common trade policy, there is also a common finance and budgetary policy, a common social and wage policy—a common policy all round. In brief, this would only happen if there was a federal state."

The hon. Member for Crewe and Nantwich (Mrs. Dunwoody) got it right when she said that it was so plainly obvious that tax harmonisation is absolutely necessary if we are to enter a single European state that it was barely worth arguing about.

The blueprint for the single European state, which can be created only if our nation state is extinguished, was laid down long ago in the treaty of Rome. We are at the 11th hour in the setting up of that new, independent state. It already has many of the attributes of such a state: an anthem, a flag, a Parliament, its own civil service, a common citizenship, its own overseas embassies, a common passport and, within days, it will have its own common currency.

Tax harmonisation is not a big surprise and has not just come on to the scene. It is inevitable. I shall not go through the documentation, as time is short. Far from standing up fearlessly against tax harmonisation, the Government are actively promoting it. That is the reality behind the rhetoric.

In addition to all the other attributes of a single state, we have discovered in recent days that we are to have a common legal system. Anyone who doubts that and fancies some bedtime reading should try reading "Corpus Juris" and what its apologists say. Stephen Woodward, the director of the European Movement, described the notion that "Corpus Juris" could ever be adopted as "ridiculous." He said that it was a report drawn up by a "group of experts" with no official status. He said that it

"goes nowhere near the creation of a system of European criminal law."

What does "Corpus Juris" do? I shall tell the House. It is a plan that envisages a European public prosecutor, the EPP—not much room for signwriters there—to whom each state's prosecution chiefs would ultimately be responsible. The Brussels-based EPP would be independent of national authorities and have a delegate in each capital city. The prosecutor would have the power to instruct a national judge to issue a European arrest warrant that would be valid across the whole European Union.

"Corpus Juris" states:

"For the purposes of investigation, prosecution, trial and execution of sentences concerning the offences set out above . . . the territory of the Member States of the Union constitutes a single legal area."

It continues:

"If an investigation conducted by a national authority reveals that an offence has been committed the dossier must be immediately submitted to the EPP."

There is to be a new judicial figure called the judge of freedoms. That should amuse anyone who has a ghost of a sense of humour. He is to give authority for suspects to be held for up to nine months under European jurisdiction and to be transferred to the country where the crime took place without extradition proceedings. "Corpus Juris" states that

"courts must consist of professional judges, specialising where possible in financial and economic matters, and not simple jurors or lay magistrates".

Goodbye habeas corpus.

The document does indeed have official status. It is an official European document, produced under the aegis of Francesco De Angelis of Directorate-General XX. In the report that introduced and commended the document, the rapporteur, Mr. Rinaldo Bontempi, points out in sections IV and V that there is no need to worry about the national veto. He suggests that rather than using the third pillar,

"the basis for such action is to be found in the EC Treaty, with particular regard to Article 209a, whose provisions were strengthened by the Amsterdam Treaty".

The report goes on to say that that article

"makes cooperation between the Member States and with the Commission an obligation. . . the Amsterdam Treaty extends it to all the competent authorities including the judicial authorities."

Mr. Woodward describes such a document as having no official status. Sooner rather than later, it will simply be introduced. There are always three stages in such cases in Europe. First we are told that it does not exist. Then we are told that it will not happen. Finally, we are told that it is inevitable.

I have one of the only copies of "Corpus Juris" around. The journalist Graham Danton, who got it for me, had to telephone Brussels and Luxembourg three times each. First, officials there denied that the document existed. Finally, they asked, "Why do you want it? You don't need it." Only when he said that he had heard that it was a really super book that would take forward the course of European integration did they say, "OK, that's fine—you can have it," and send him a copy.

I make no criticism of our European partners for behaving in that way. What they want is a single European state. That has been obvious from the inception of the treaty of Rome. It is not up to us to criticise them for what they want, but it is up to us to ask ourselves whether that would be right for us. Could we feel comfortable with such a relationship in Europe?

Back in March 1995 my right hon. Friend the Member for Huntingdon (Mr. Major) said in a debate in the House:

"The often unspoken fear of many people—we should address it honestly and clearly and examine it—is that Europe might develop into a super-state, an overarching Government with no national veto, no control over our own borders, prescriptive decisions, a single currency imposed and the nation state retreating to a wholly subordinate role. That fear exists out there . . . and we should recognise the fact that it exists."

He concluded, and it seems so long ago:

"I for one would find such a Europe wholly unacceptable for this country. I do not believe that it is remotely likely, but, if that were to be the future, it would not be a future that would be suitable for this country."—[*Official Report*, 1 March 1995; Vol. 255, c. 1062.]

We are there. We are in the presence of a new created state which requires our own nation state to be extinguished. We cannot go on being the bad man of Europe and standing in the way of our European partners

[Mr. Patrick Nicholls]

because we do not believe that their destiny is right for us. It is not a question of coming out of Europe. Europe is there. It is our own continent. Our nationality may be British, but our culture is European. Europe will always be there, which is why it is legitimate and right to say that we must be in Europe but not ruled by Europe.

We have to ask ourselves, "Can we go on like this?" We have to say honestly that, if we cannot get our European partners to abandon a project on which they have been embarked these 30 or even 40 years, and in fairness to everyone, we must ultimately have a relationship with which we feel comfortable. There is a great deal more that I could say, and I hope that there will be occasions on which I can do so, but I am conscious that other hon. Members want to speak. We must face up to what we are about, and the Foreign Secretary did not begin to do that.

8.40 pm

Ms Claire Ward (Watford): First, I apologise to the House for being unable to remain for the winding-up speeches.

Let me take up the point made by the hon. Member for Teignbridge (Mr. Nicholls) about the referendum in the 1970s. Unlike many hon. Members, I do not remember the great debate and the referendum on entry into what was then called the European Community. For me and many of my generation, Europe, and our co-operation with our European counterparts, has been very much part of our lives. We have studied European languages and adopted many aspects of European culture. We frequently travel to Europe and we have friendships with people in other European states. I stress, however, that my pro-European stance in no way suggests any less support for my own nation state and for the right of its people to determine the best future for this country.

Many hon. Members on both sides of the House have found it difficult to be both a citizen of a nation state and a European. The two have not sat comfortably together, but the advantage of being a full, proactive member of the European Union is that we maximise the benefits of our membership through co-operation. We enhance the opportunities for trade, and we increase rather than restrict competition. We agree on changes where they are in our interests. In our dealings and relationship with Europe, that fundamental principle must always remain: we agree where that is in the interests of Britain and its people. What can be wrong with that?

We have heard a lot of scare stories lately. There has been a lot of scaremongering on the euro and on tax harmonisation. I accept that fear is often the result of change or of the unknown. I can accept that many people find it difficult to believe that those who have proposed the euro, and those who will enter it next year, can be acting in the interests of more than their own nation states. Such panic and scaremongering is certainly not in the interests of Britain. A sensible, well-informed debate weighing all the pros and cons of the euro certainly would be. The euro is in the interests of Britain and of business.

Although I have the utmost respect for my hon. Friend the Member for Nottingham, South (Mr. Simpson)—and, as a colleague and fellow team player in the all-party parliamentary football group, I have no wish to offend him, because he may make sure that I end up with a few bruises in the next game—I do not completely agree with him.

Let us consider the example of the United States. My hon. Friend's arguments were clearly thought out and well constructed, but the history and culture of the United States are different from the history and culture of the European Union. What we create in the European Union, with Britain a part of it, will be unique. We will be able to look to America to consider some of the issues that my hon. Friend rightly raised, but we should do so for information and knowledge only.

Last Monday, more than 100 business leaders signed a statement in the *Financial Times*, saying that Britain

"should aim to join the single currency as soon as the conditions for successful entry are in place".

In their view, that is likely to be soon after economic and monetary union is established. Since the publication of the business statement, a further 150 business people, from companies large and small, have rushed to sign up.

That is perfectly understandable. Those business leaders signed in personal capacities, but they include the chairmen and chief executive officers of more than 20 FTSE 100 companies, as well as many small and medium businesses and entrepreneurs from every region of Britain.

Companies such as Marks and Spencer are making the necessary changes to their business and to their tills to adapt to the euro, because they believe that the euro will be part of Britain's dealings with the EU. A company in my constituency, which supplies electronic health equipment to health services in this country and in Europe, has decided—much to my regret—to close a significant part of its operation and move to Europe. It will be dealing in euros to a much greater degree and believes that it should be based in one of the member states.

Some 63 per cent. of businesses say that it is in their best interests that we join the single currency as soon as possible or after the next general election. My right hon. Friends the Prime Minister and the Chancellor have made it clear that, although we support the principle of the single currency, such fundamental change must come only with the support of the people of this country and at a time that is appropriate for Britain. That is a clear position, which I fully support.

Business in this country needs the euro. Almost one in four firms doing business with Europe have been asked to deal in the euro from January 1999. If we do not take a serious interest in the euro, we will be left behind. Some 65 per cent. of United Kingdom exporters want a single currency in the EU, and we will continue to let them down if we do not take a clear view on movement towards the euro.

The right hon. and learned Member for Folkestone and Hythe (Mr. Howard) suggested that there is one all powerful person in the EU—the German Finance Minister. He also suggested that if the German Finance Minister makes a statement, the rest of us should be very concerned that it represents a development of the policy of the EU. Are we to believe that, when the German Finance Minister states a view, we should assume that it is a fait accompli? That must be absolute nonsense. We should bring some reality to our discussions.

The German Finance Minister is but one member of the German Government, and the German Government are but one member of a 15-state body. They will not get their own way; of that, I am absolutely confident. There is no sense in greater harmonisation of tax. It would not benefit Britain. As the overriding principle must be that we adopt changes only if they are in Britain's interests, there should be no great move towards the harmonisation of taxation.

It is nonsense to suggest that joining the euro will inevitably lead to tax harmonisation. For a start, we would be absolutely mad to allow harmonisation, because we know that it would result in much higher costs for all. We do not have to accept such moves. That is the great advantage and the purpose of having a national veto. Any change to EU taxation policy must be agreed unanimously by member states. Britain has the right to veto any proposals that it opposes. Furthermore, the abolition of the national veto in any area of policy requires a treaty change, which must first be agreed unanimously. Britain's right to veto any proposed EU taxation policy cannot be removed without our consent. So long as we oppose the harmonisation of taxation, we will remain without it.

Our future is in Europe. We should be a part of it and lead it, and not be led by it. We must not stand on the sidelines shouting advice, but should be on the pitch scoring the goals and winning for our team. My right hon. Friend the Foreign Secretary has made it clear that he wants to lead our nation in our discussions with Europe. The policy that we are pursuing is the right one for Britain, and I hope that we shall continue to pursue it.

8.52 pm

Mr. Crispin Blunt (Reigate): It is a great pleasure to follow the hon. Member for Watford (Ms Ward). Soon after she and I arrived in the House, we were on a radio show together. It was a great pleasure to take part in that show with her. She has helped to illustrate some of the points that I want to make.

At the beginning of the debate, the Foreign Secretary said that the British people should be treated like adults. We have had some extremely adult and intelligent contributions to the debate, and there has been some terrific analysis. I commend the hon. Members for Crewe and Nantwich (Mrs. Dunwoody) and for Nottingham, South (Mr. Simpson) for their contributions and analysis, which I thoroughly enjoyed. I experienced the usual frustration when I listened to the Foreign Secretary, and I felt the same frustration when I heard the hon. Member for Watford loyally follow his line.

The problem is a lack of honesty in the debate about Europe. We are not treated as adults. The Foreign Secretary and the hon. Member for Watford sought to escape behind statements about the current legal position on what measures can be imposed on the United Kingdom. We heard a terrific analysis from my right hon. Friend the Member for Haltemprice and Howden (Mr. Davis), with his experience as a former Minister for Europe, of how the United Kingdom, under a Conservative Government who were prepared to be isolated in Europe—to some extent they had to make a virtue of it after 18 years in government—was out-manoeuvred. Changes were made so that policies were decided by qualified majority voting, and we no longer had a veto. Judgments of the European Court of Justice went against the United Kingdom. The court referred to the introduction to the treaty of Rome, and said that it had made its judgment in the interests of integration.

It is frustrating to hear the Foreign Secretary hide behind the current legal position, when the tide of opinion about the future development of the European Union will overwhelm that legal position in the near or medium-term future. The logic of the Government's position on negotiation leaves them even weaker. We were dug out of our position after years of having to battle against changes to the rules. There was disappointment in the Conservative party because of the bad faith shown by the European Union when it changed the rules on which decisions were based.

The Government's problem is that they are committed to the language of constructive and positive engagement in Europe. However, 18 months after coming into office, they are already talking the language of isolation on tax harmonisation.

I object to the conduct of the European debate. This morning, I listened to the Chancellor of the Exchequer talking about the social chapter. He said, "We were told the social chapter would lose us 500,000 jobs. Well, that hasn't happened, so it is all right." That is a trite way of dealing with the issue. The social chapter is a mechanism for the introduction of social regulation in the future. We have no idea what laws, regulations and directives will be introduced through the social chapter in the years to come, because we have given away the UK's capacity to prevent their introduction.

The Secretary of State for Trade and Industry is slugging it out in Europe and trying to find a suitable compromise, so that he can avoid using the veto to prevent the introduction of measures that we do not like. That is precisely the position that the Conservative Government were in on other areas of policy. We have a hideous sense of deja vu. We watched the Government approach Europe with enthusiasm in 1997, but 18 months later we see that their attitudes have started to change as they come face to face with the problem of defending our national interests and the natural British position, which is the same whether under a Labour or a Conservative Government. Their language is beginning to change.

The British Government put at the top of their list of priorities the timetable for enlargement. The Foreign Secretary joined the Foreign Ministers of the applicant countries. He was the only senior Foreign Minister at that meeting. He did not find time to join his colleagues in the European Union at the first Foreign Ministers' meeting under the Austrian presidency—but never mind. That shows where the British Government's priority lies. The Government have supposedly created credibility, but under the British and the Austrian presidency the date for enlargement has changed—from 2003, which Commission officials were talking about, to 2005. In private, Austrian politicians say that it will be 2015 before enlargement takes place. The Polish President has accused the European Union of bad faith and of creating myths to prevent Polish entry to the EU. In Britain, enlargement—widening the European Union—is our main interest but we are seeing it disappear over the horizon. The timetable seems to have slipped by almost exactly five years.

[Mr. Crispin Blunt]

Earlier, I asked the Foreign Secretary whether he agreed with Hans Tietmeyer about the inevitability of taxation as a method of control in Europe following the introduction of a single currency. The Foreign Secretary said that he disagreed with Hans Tietmeyer, but who are we to believe? Are we to believe a central banker who has been in the finance business throughout his career—a distinguished career—or are we to accept the judgment of a Foreign Secretary who, like his party, has flip-flopped over the issue of European Union membership throughout his own career? The Foreign Secretary, at this stage in his career, is trying to bring about a wave of Euro-enthusiasm, but I predict that the position may well change if the Government fail to engage in economic and monetary union, as its consequences become increasingly apparent.

The hon. Member for Crewe and Nantwich delivered an amusing aside about the way in which socialist European documents had been drafted. There is an example in "The European Way". We now see that the British Government are trying to interpret matters in a certain way. There is reference to further measures to be taken to "avoid harmful tax competition". The Prime Minister has told us that tax competition is terrific, because it drives taxes down, and encourages tax regimes in the European Union to compete with each other. However, I understand that Mr. Lafontaine and Mr. Strauss-Kahn think that tax competition is harmful, and that tax harmonisation is required for that reason. Let us see who will win the argument.

The Government know perfectly well in what direction the European Union is heading. They cannot and should not pretend that the legal position as provided by the treaties will not change in the years to come. We have seen the result of their attitude. Already, after 18 months, they are isolated from their main socialist partners in Europe. They are having to rely on the conservative party in Spain to be an ally, and to try to protect the British interest.

My right hon. Friend the Member for Haltemprice and Howden said that it was worth paying the price for Britain to have a key role in Europe, enabling it to pull the Europeans back from the brink and to act as a control, vetoing further changes in the European Union. My right hon. Friend has an appetite for a scrap. Perhaps he envisages becoming Minister for Europe again, and having to take part in the process. That would, of course, be in the interests of the United Kingdom.

According to my observations of Britain's role in the European Union, the problem is about the price that we will pay—isolation—for trying to defend the British interest. Another price that we will pay is the reputation that we have won among our partners. We have always been seen as the "drag anchor", but that will no longer be worth the candle. We must ask whether we want to continue with the current process, or to lift the drag anchor, go full tilt into Europe and become positive contributors to Europe in an honest way, accepting the implications for the politics of the nation state. If we do that, we shall have to accept that there will be a new polity at the European level, and that we should think about building democratic European institutions around the euro. That is the choice that we face, but the Government are still not facing it.

9.3 pm

Miss Anne McIntosh (Vale of York): I welcome the debate. I recognise that the European Union now permeates every aspect of domestic as well as foreign policy. I have a particular interest in transport, and I note that the Amsterdam treaty will extend co-decisions to transport matters. There will be exceptions in regard to competition rules and negotiations with third countries. Can the Minister explain the Government's position on state aid? Will the Government press for the ending of any further state aid, especially for airlines—Air France, Iberia, Olympic Airways and a catalogue of other carriers that continue to enjoy state aid?

Ports also enjoy state funding in certain member countries. Horticulture even makes possible the provision of cheap energy, particularly in one member state. Pork production is currently enjoying a subsidy in France and Germany. Government intervention would be very welcome.

The highlight of 1999 will be the revision of structural funds, and the balancing of those receiving such funds with applicant countries. It is generally agreed that the population level in respect of receipt of structural funds will be lowered. The impact on the United Kingdom and, particularly, on my constituency will be substantial. The Vale of York enjoys farm subsidies on a generous scale, Konver funding to train those with defence industry skills for civilian employment, 5b funding for poor farming areas in the hills and general training funds under objective 3.

The hon. Member for Nottingham, South (Mr. Simpson) struck a chord. Not only will his area suffer job losses through the loss in the defence industry; other areas, such as Chelmsford, will suffer heavy loss as well.

The objectives are being reduced from 7 to 3 and the Community initiatives such as Konver are set to disappear, but it is not clear what will replace them. I am a little concerned that responsibility for the negotiations is being shared between two Departments: the Department of Trade and Industry and the Ministry of Agriculture, Fisheries and Food. We need to ensure a co-ordinated approach in those negotiations.

The length of the transitional period for the various programmes is not yet clear. Whether other member states will agree to set key criteria as a percentage of gross domestic product, rather than just unemployment, which would penalise us, is not yet known. Some guidance on those negotiations would be helpful.

The Department of Trade and Industry is minded to identify "pockets of rural deprivation". Again, it would be helpful to have more details. I accept that we are in the middle of a farming crisis that is unprecedented in my lifetime, affecting every sector of farming. The loss of income from subsidies will be compensated for by direct payments to farmers under common agricultural policy reform, where appropriate, and by compensation for environmentally friendly schemes.

Rural development is a theme that will loom large, bearing in mind the impact that the farming community has on the whole rural economy, including contributing to market towns and local prosperity. I hope that, in their regulations, the Government will bear in mind the impact that the reform of CAP and structural funds will have on areas such as North Yorkshire. Traditionally, farming in

that area attracts low incomes, increasing the difficulty of finding homes for farm workers; they also face travelling further to work.

Agenda 2000 is a top priority for 1999. With the agreement of our European partners, the Government have set a deadline of March. I am sure that the Minister will appreciate that the European Parliament has agreed First Reading and, as the Commission refused to support a number of key amendments, the reports have been referred back to the relevant committee. The European Parliament will find it hard to meet the March 1999 deadline.

Clearly, that timetable has implications for the timetable for enlargement. I welcome moves towards enlargement, particularly for the former communist countries and Baltic states. Earlier in the week, I raised the threat of higher duties on pork with the Minister of State, Foreign and Commonwealth Office. I wonder whether she has had time to examine that matter and to find out whether it is true that the Czechs, Poles and Hungarians are threatening to break the Europe agreement. That would be worrying. I hope that the Government will do everything in their power to prevent such a move.

A particular interest of mine and, I am sure, of many others is duty on wines, beers and spirits. Duty-paid goods and their import for other than private, individual use is becoming a huge embarrassment to the Government. Bootlegging not only denies the Treasury of income, but damages the trade and employment opportunities of our wine merchants, brewers and distillers. That is unacceptable.

Rather than increase the number of Customs and Excise agents to apprehend culprits, it would be far better to lower the duty that is paid in this country and to raise the level of tax earned in that way. Better still, does the Minister think that she can persuade her European partners such as France, Spain, Belgium and Greece to raise the duty charged on their home-produced wines, beers and spirits? So much for tax harmonisation.

Duty free sales are scheduled to stop on 30 June 1999. Mario Monti, the commissioner responsible, claims that duty free sales have no future in a single market. I entirely agree—if the single market were complete, there would be no place for duty free sales.

When there is no harmonised rate of tax and duty charged, nor any prospect of harmonisation, with rates varying from 3 per cent. in one country to 33 per cent. in another, there are strong grounds for a reprieve, allowing duty free sales to continue for the foreseeable future. The outlook in that regard is bleak. The Commission has announced that the present rules on duty free will apply to duty free sales after 1 July 1999, leading to the bizarre situation of a bottle of whisky attracting different prices on the same route from, say, London to Corfu, depending on which country's airspace the plane is flying in and on the duty charged in that airspace. That is nonsense and I hope that the Government will help to deal with it.

The European Union continues to hold many challenges for the Government and for our relationship with our EU partners. There is real scope for tax harmonisation, which the Foreign Secretary assured us would normally be within the national remit alone. I believe that the scope lies in social security taxation. The extremely high rate charged in some EU countries amounts to a tax on jobs. If our partners really wanted to create an employment strategy for Europe, they would amend their social security provisions. Businesses, not Governments, create jobs, but Governments do tempt businesses to create more jobs by lowering social costs. I urge them to do so.

The Vienna summit will address a number of those issues, including employment guidelines, the financial perspective and trans-European networks. I hope that the Government can rise to and meet the challenge.

9.11 pm

Mr. Oliver Letwin (West Dorset): I want to make just two points in what is unremarkably—those of us who have attended many of these debates know the familiar pattern—a very thinly attended House. That is despite the fact that what we are debating is probably the most important issue to face this country, not just at present but for 300-odd years. Such is the nature of parliamentary democracy.

I want to comment on the character of the debate and the character of the Government in relation to the debate. The Government pride themselves on being modern. That is probably the single greatest thing on which they pride themselves. Yet, in an odd way, in this, the most important of all the debates facing the Government in the coming years, they are very ancient rather than very modern. They are out of date, not with the trend. That is because, unlike most hon. Members who have contributed to the debate—probably in private and unknown to the greater public—the Government have failed to recognise the fact that, as has been alluded to by many of my hon. Friends and many Labour Members who have now departed, we are on the verge of a United States of Europe.

That is not something that the Government will be able to stop. They can decide whether or not to be part of it, or rather, they can put that choice to the British people, but they cannot stop our partners moving in that direction. It would be a vain attempt and the Government will not make it. The Government are old fashioned in attempting to deny that that is the fact. It is also dishonest to attempt to deny that, but I shall dwell on it less because it is not an attack that would carry much weight. However, the fact of being old fashioned may, conceivably, strike a chord in the mind of some Ministers.

That is not my main point. I want to move the debate on a stage. I am bored with the period of prophecy. The period of prophecy is over. We know the facts and we know what is happening. We have a decision to make. The remarkable thing is that, because for so long—I regret that this has occurred within my party and firmly betwixt my party and others—we have debated the question of prophecy, we have forgotten to debate what decision we want to make. As one of my hon. Friends pointed out, the rhythm of the dialectic has been that we start by hearing that something will never happen and that it will be resisted to the ultimate, and then we hear that it is inevitable. In that rhythm of dialectic, there is no discussion of whether it is a good or bad thing. As a nation, that is what we now have to face. We have to confront the question to which we were brought face to face by my hon. Friend the Member for Reigate (Mr. Blunt), which is whether we think that the United States of Europe is something to which we want to belong.

[Mr. Oliver Letwin]

I do not suppose that, in seven minutes, I can give the final answer to that question, but I hope that I might prod those few hon. Members in the Chamber, and those perhaps two or three recondite journalists who occasionally read our debates in their spare evening hours, into thinking about their response to the question. It is a poor outlook for the country if we do not have a response. It is a very poor prospect for the United Kingdom if those engaged in the debate in Parliament have not yet even begun to consider the question—which way the decision should be made—and no arguments are heard from either side of the House.

For myself, having thought about the matter a good deal—although not well enough yet—there are really two strands of argument that persuade me one way rather than the other in deciding whether we should want to join the United States of Europe, which will come about. The first is a negative type of argument, and the second is a positive one. The negative type of argument is that I think that there is something characteristically weak about the case for a United States of Europe. I do not mean there is not a case; there manifestly is a case. We have to face that fact.

There is a vision, which can best be described as a geopolitical vision of a world consisting of large players who rule the roost and of tiny players who are caught in forces that they cannot control. I hope that the Minister will forgive me if I describe that as the Chatham house or Foreign Office version. It has been the doctrine of the Foreign and Commonwealth Office for, roughly speaking, 400 years, and of its predecessors.

Mr. David Heath: The Cecils.

Mr. Letwin: Indeed, of every Cecil—the vision goes back a very long way in our history. Palmerston was perhaps its greatest exponent, but it is a very long-running theme.

The theory and reality of the United States of Europe are based on the vision, and that theory and reality are meant to convey to Europe its ability to be a great power—with the United States, possibly Japan, probably China, and, militarily, Russia. The case for being part of the United States of Europe is characteristically weak for a reason—which obviously needs vastly more expansion than I can give it today, and perhaps than I am capable of giving it—that perhaps resides in the strange historical fact that there is no evidence whatsoever that the citizens inhabiting great powers have led more pleasant, more fulfilled, culturally richer or economically more prosperous lives than citizens inhabiting very tiny powers.

Today and for most of my adult life, Switzerland has had the highest per capita gross domestic product, the strongest social cohesion and the greatest stability. It is a very tiny power, and almost gave up being a power at all. It is not a unique example; on the contrary. Throughout history and around the world, there have been large powers of which it has been unpleasant to be a citizen and small powers of which it has been pleasant to be one, and vice versa. I do not think that there is any evidence that being part of a great power or a small power is material to how its citizens live.

I do not personally—others may differ—buy the thesis that the fact that there will be a great power means that it will be to the advantage of the citizens of a small power to join it. Therefore, I think that the geopolitical argument—which is meant to be the positive argument for joining the United States of Europe—is weak.I do not think that, by itself, that would be enough to decide to answer in the negative, because there is also a positive strand.

I should characterise the positive case as one of risk. The question that we have to ask ourselves as we face the choice of whether to obliterate the United Kingdom and absorb it within a United States of Europe is: what will be the character of the United States of Europe? Like other hon. Members, I do not have a crystal ball and cannot say for sure whether the United States of Europe will be a flourishing great power, beneficial to its citizens. However, there is a risk—I put it no higher than that; it is extremely important not to overstate it—and it is difficult for other people to challenge the existence of that risk. I describe it as the risk of the United States of Europe becoming an Ottoman empire.

There are three parts to that; I do not have time to elaborate them. The first is an institutional risk. Those who have the vision must admit that the United States of Europe will be created against the background of institutions that are at best immature. They will have some difficulty establishing themselves with the democratic legitimacy and universal acceptance that is required of a stable Government.

Secondly there are cultural problems. I do not rate them too highly. I am not saying that people of different cultures cannot get on in a single state. Belgium proves that they can, as do Switzerland and the United States. However, it is difficult. It is more difficult when the political, legal and other cultures are particularly rich and strong. The great glory of Europe is that the individual cultures of the nation states are stronger and richer than those in any other part of the world. That creates a particular difficulty in forging a United States of Europe.

Thirdly, there are economic and social risks, many of which have been mentioned this evening, including the creation of what one of my hon. Friends called an economic hot spot problem. I doubt that anyone can honestly deny that there is a danger that in the course of forging a United States of Europe, it would be difficult to produce sufficient economic and social homogeneity—or, in the jargon, cohesion—to avoid severe tension.

Because my argument is very weak, it seems to me the stronger. On those three grounds of institutional immaturity, real and profound cultural difference and serious economic tension, there is a risk that a United States of Europe would turn into an Ottoman empire rather than a successful parallel of the United States of America. I accept that some might think that unlikely, but I wonder whether even the Minister, who, we hear, is a great proponent, can argue that there is no risk. If there is a risk, we, the citizens of the state that beyond all other states has delivered to its citizens across hundreds of years economic, social and cultural stability and freedom under the rule of law, must ask: if the positive case for the United States of Europe from the point of view of the effect of the geopolitical argument on its citizens is weak, why take the risk? We ought to have the courage to admit that we face a question of whether to become part of a United States of Europe by sublimating and obliterating the United Kingdom. I am persuaded that we should not.

I do not mind which way people feel about the decision. I want us to stop debating as if there were a question of prophesy left to us and start the real debate, which is about that decision.

9.23 pm

Mr. Howard Flight (Arundel and South Downs): This country will have to face reality in the next 15 months. There is a practical issue of a common European withholding tax. Europe desperately needs that from its own perspective. People do not pay tax on some interest. There is a need for a new source of taxation for transfer payments, which will need to be increased with a single currency.

This country's interests are clear. Harold Wilson and Governor Richardson of the Bank of England spotted that the interest equalisation tax in New York was driving away international deposits, enabling them to be taken in London. That prompted the growth of the European markets and the recovery of London as an international financial centre over the past 30 years.

The issue is not just about bonds, but about deposit taking, foreign exchange dealing, derivatives and all that goes with being the world's leading international banking centre. If a withholding tax is stopped, all that business will go to New York and Hong Kong. That is not a small matter. At least 100,000 of 600,000 jobs are at risk, and 3 or 4 per cent. of gross national product and 6 per cent. of our total exports are involved.

The Prime Minister has pledged to veto the proposal, but Europe has made it clear—rightly, from its perspective—that Britain is being arrogant. Europe wants the proposal to be implemented. I believe that the issue will boil over next year. Europe will not allow us to use our veto to stop its first major tax harmonisation programme. It will, as Schröder has warned, move to end the power of veto for individual countries. The reality will hit the hypocritical nonsense of pretending that Europe will do whatever we want it to in our interests.

9.26 pm

Mr. Michael Trend (Windsor): The Foreign Secretary patronisingly urged us all to behave like adults. That was as uncalled for as it was discourteous. We have heard many excellent speeches this evening. My hon. Friend the Member for Arundel and South Downs (Mr. Flight) has just made a brief but cogently argued point about the withholding tax, and the various speeches from hon. Members on both sides of the House have shown a that a great deal of thought is being given to the European question.

My hon. Friend the Member for West Dorset (Mr. Letwin) kept his eye on the rhythm of dialectic and the big questions that may one day be asked about the European Union. My hon. Friend the Member for Teignbridge (Mr. Nicholls), in a characteristically ebullient contribution, rightly said that if others want to create a supranational state, that is their business. At the moment, the evidence is strong that that is the direction in which many senior politicians in Europe want to go.

My hon. Friend the Member for Reigate (Mr. Blunt) also spoke on that theme. He described the overwhelming tide that is sweeping through the European argument, leading member states to ever closer integration. My hon. Friend the Member for Vale of York (Miss McIntosh) has a different experience of the European Union from that of the rest of Conservative Members. She made an important and detailed speech, raising a number of questions that I am sure the Minister will want to follow up.

Especially welcome was the speech of my right hon. Friend the Member for Haltemprice and Howden (Mr. Davis). He spoke from his experience in government of the difficult realities of negotiating in the European Union. The Government are now learning about those hard realities at first hand.

The contributions from Labour Members were 50:50. Of the four speeches, two were on message—one of them alarmingly so—whereas the other two expressed anxieties about the Government's position, although for different reasons: at least I think that they were different reasons. The hon. Member for Crewe and Nantwich (Mrs. Dunwoody) was right to say that we should explain the implications of where the European Union is going. We shall soon have that opportunity; in the referendum on the single currency, we shall be able to put the case to the country, as my hon. Friend the Member for West Dorset also said.

At the start of the debate, my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) made a most telling contribution. He characterised the Government's position as one that faced in two directions at the same time—one for our European partners and the other for the domestic market. We have heard much this evening about the yawning gulf between the Government's rhetoric at home and what they endorse abroad.

We have heard how the Government are getting into difficulties on both fronts. They draw up carefully crafted positions but, especially on tax harmonisation, their proposals are being rejected both at home and abroad. Oskar Lafontaine will not put up with the British Government trying to have it both ways any more than will the Conservative party, the British press or the British public.

The Labour party hopes that the phrases in the Party of European Socialists' beloved document, "The New European Way", will also strike its different audiences—the left-of-centre Governments in Europe and the voters at home—differently. However, that did not seem to please the hon. Member for Nottingham, South (Mr. Simpson), for curious reasons entirely of his own. Many hon. Members have spoken about tax harmonisation, and it would be tedious and unnecessary to go over the issue again.

I have enjoyed one particular moment in the last few days, which makes the point, raised by my hon. Friend the Member for Reigate, that there is a great sense of deja vu about the Government's position. I had a fantasy—I do not pretend that it is the truth—about the scene in the Foreign Office yesterday. Ministers and their civil servants were trying to decide what to do after the Chancellor had come back, having been mugged at ECOFIN. How best were they to give the impression that the Foreign Office was not trying to lie low—although, of course, that was what it was trying to do?

No. 10, meanwhile, had been rampaging around the Government system, getting the line straight for Prime Minister's questions. A false move at the Foreign Office would spell disaster for somebody's career. "Shall we send the Foreign Secretary?" "No, Minister." "Should it

[Mr. Michael Trend]

be a Minister of State, or another Front Bencher?" "No, Minister." "What shall we do?" "I know, Minister" said an experienced civil servant. "Let us send the Parliamentary Private Secretary." So it was that the hon. Member for Rotherham (Mr. MacShane)—I told him I was going to mention him—found himself on the radio yesterday, defending the Government single-handedly. No Minister was available, according to the rather sinister announcement.

The Minister of State, Foreign and Commonwealth Office (Ms Joyce Quin): Will the hon. Gentleman give way?

Mr. Trend: May I finish my fantasy? The hon. Member for Rotherham did his job very well. He read the headlines from the German newspapers—to, I suspect, a rather bemused audience—and seemed to suggest that the whole sorry business had been got up as a scare story by the British press. Various other Labour Members have suggested that. He seemed to say that they did these things better in Germany. He has a very promising career. However, the point of sending Parliamentary Private Secretaries is that they can sink or swim on their own without damaging the Government's reputation—although they may do tremendous damage to their own. However, the hon. Gentleman acquitted himself, and I hope his career is progressing nicely.

Ms Quin: I was interested to listen to the hon. Gentleman's fantasy—but it was just fantasy. If he had listened to other interviews yesterday, he would have heard me and other Ministers being interviewed. Sadly, a lot of my weekends seem to be disrupted by interviews on tax harmonisation and other European issues.

Mr. Trend: I have no reason to doubt the Minister, but I thought it curious that, a few hours before Prime Minister's questions, no Minister was available on the BBC lunchtime news on Radio 4. I may be wrong about those things.

The hon. Member for Rotherham, in a spirited interview, suggested that they do these things better on the continent. The evidence of the past six months does not suggest that. The informal summit was billed as an opportunity to debate subsidiarity—it had been prepared for months as a chance to investigate that subject closely. Only a few months ago, it was thought that the question of how to close the ever-growing gulf between the politicians and peoples of Europe was a matter of central importance.

The Foreign Secretary—like other senior European politicians—still airs the language of subsidiarity. He told us today that he was anxious that decisions should be taken as close as possible to the citizen, and we agree. However, what does that mean in practice? When the Foreign Secretary spoke to the Select Committee, it turned out to mean, mainly, a proposal for next year's vision statement for the European Union. If one has no plans for action, I suppose a vision statement will have to do.

Despite the continued use of such language, something fundamental has changed in the past few months. The Euro-land Governments—especially after the general elections—picked up a new confidence. They could see that the euro would definitely be launched in 1999—that business was over, at least for the moment. The voices saying that it was best now to address the other side of the precarious balance between Governments and the governed were swept aside. Jacques Santer's carefully crafted—and good—paper was put back in the filing cabinet.

Governments surged ahead with their next business. There has been greatly increased pressure in the past few weeks for further and quicker integration in taxation, employment, social affairs, internal policies, foreign policy, immigration and asylum policies. In recent weeks, I have talked to lots of senior European politicians—some of whom I have known for a considerable time. Many are, for the first time, saying in public what they actually believe.

I was told that subsidiarity and accountability would have to wait, as they were yesterday's arguments. The vital principles that we believe should be the very foundation of the European Union are being passed over by the architects of a much more tightly integrated Union.

Does anyone now seriously believe that the architects of the new Europe are building their ever more ambitious edifice on the secure foundations of popular understanding and consent? No. Bigger, not better, government is the order of the day and of tomorrow.

My hon. Friend the Member for Reigate spoke very well on enlargement. Great progress was hoped for on enlargement, and of course the Minister will tell us of meetings attended and timetables agreed to, but nobody involved in the application process believes any of that. With attention now so focused on deeper integration, European Union enlargement is being seriously delayed. European Commission officials were reported in *The Guardian* to be stating in private that the target date for the first wave of enlargement was slipping to after 2005.

One senior politician said to me, "The European Union has been holding out a carrot to us: we begin to move towards it and get close, but then we find that it has moved it on ahead of us again. How can we ever catch up if these are the rules of the game?"

The Foreign Secretary told the House in June that the speed at which applicant countries enter the European Union now depends entirely on the urgency with which they make the necessary reforms. That is not the view that is taken in Poland, the Czech Republic or Hungary. The amount of legislation that they, and especially Poland, have passed—hundreds of laws—beggars belief, but no amount of new laws will catch up with a European Union determined to make new, far-reaching legislation of its own.

As my right hon. and learned Friend the Member for Folkestone and Hythe said, the Government did not do the House the courtesy of telling us what had been discussed and agreed at the recent informal summit. A few days after it, however, I was again in continental Europe and met many people who were less retiring. They were happy enough to tell me what the Prime Minister had said. Their impression was that he meant that there had been a true reversal of the British position on defence. Some, I am afraid, cynically thought that that was because he was unable any longer to gain the limelight on economic matters, but others genuinely believed that there had been a fundamental shift in the British position.

Was that impression correct? Back at Westminster, Conservative Members asked the simple questions that we can ask in the ways that the House allows, and it soon became apparent that the Government were in a glorious muddle. The Secretary of State for Defence recently tried hard to explain at the Dispatch Box—I am charitably assuming that he had something coherent to explain—the complex theology that his officials had kindly developed to try to bring the Government's two faces on the matter back into better focus.

It is no longer possible for the Government to say one thing on the continent and another here and pretend that they can keep the House out of the process. The Government are going to Vienna in a muddle of their own making. There is a muddle on taxation, on defence, on enlargement, on reform of the European Union institutions, on internal matters, on subsidiarity and on accountability.

If the Foreign Secretary hopes that other left-of-centre European politicians will provide him with a welcome break from his problems back home, let me remind him once more of what his Euro-allies have been saying recently.

The German Chancellor expressed support for an "ever-integrated Europe". The German Foreign Minister said that turning the EU into an entity under international law, with a common constitution, was

"the decisive task of our time".

Our friend Oskar Lafontaine said:

"It is necessary to harmonise tax policy"

and the Austrian Finance Minister agreed. He said:

"The single currency will speed up the need for tax harmonisation."

On the veto, good old Oskar was unequivocal. He said:

"I believe the unanimity rule cannot be maintained."

The French Finance Minister said:

"Either you want fiscal harmonisation or you don't. These are all matters that should be subject to majority voting."

The German Foreign Minister said:

"If it is going to turn into a full union, then one day foreign and defence policy will also have to become community tasks."

We are told that sometimes those statesmen speak for themselves and sometimes for their Governments, but that is spin doctor nonsense. They are speaking their minds and we should note carefully what is in their minds, because their views expressed today—on the record or off the record, officially or unofficially—will surely appear on tomorrow's agenda.

The coming summit will be difficult for Britain. The Government should say more clearly where they stand on all the issues raised in the debate, because it is becoming increasingly clear that an agenda is emerging to which no British Government could subscribe. No amount of warm words about being at the heart of Europe, or boasting about playing it tough in the Councils of Europe, will work much longer. The electorate are getting wise to the Government's two faces. In the end, it is results that count.

In one way, I sympathise with the Government. Some press commentators have said that this Government's position is as bad as that of the previous Government. There is something in that, but there is also one big difference. The Conservatives tortured themselves on European policy, but they did so on matters of principle. This Government have made their muddle not on the firm rock of principle, but on the shifting sands of propaganda and presentation. The big trouble with looking both ways at once is that, sooner or later, one fails to look in either direction with a steady eye and the inevitable accident occurs.

9.41 pm

The Minister of State, Foreign and Commonwealth Office (Ms Joyce Quin): This is the first debate of this kind that I have taken part in since becoming a Minister in the Foreign and Commonwealth Office. However, I count myself as a veteran—perhaps happily, perhaps unhappily—of these debates, having taken part in many while in opposition, from the Back Benches and the Front Bench. One common aspect of the debates—not surprisingly, given the many issues with a European dimension—is that they are always wide ranging.

I begin with an apology on behalf of my right hon. Friend the Foreign Secretary who is not able to be in his place for the winding-up speeches because he has left to attend the British-French summit at St. Malo, which I shall also attend later. At that summit, many of the issues that have exercised hon. Members on both sides of the House today will be raised.

Many of the speeches in the debate contained effective calls for an informed debate on European issues and I echo those calls. Many of my hon. Friends, especially my hon. Friends the Members for Dunfermline, West (Ms Squire) and for Nottingham, South (Mr. Simpson), made the point about accurate information very tellingly. I join with those who have deplored the hysteria that has disfigured the debate about Europe, especially in the past few weeks, with irresponsible scare stories that alarm people unnecessarily. That does not do the people or democracy a service.

We want a debate in which people have access to information and we have a duty, which we take seriously, through our parliamentary proceedings to try to have as much discussion as possible on the issues. The speech by the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) fuelled many of the scare stories, instead of considering them realistically and damping them down. I was surprised, if not astonished, when the right hon. and learned Gentleman was revealed as an arch-federalist of yesteryear in the extraordinary quotation from the magazine *Crossbow* in which he called for a united European defence policy. That was fascinating, and I have now been given the article so I will be able to read it from beginning to end.

One purpose of our debate is to review developments as we prepare for the European summit in Vienna. I hope that hon. Members will find it useful if I outline some of the topics that are likely to be raised on which we hope to make progress. A principal issue is Agenda 2000, on which the hon. Member for Vale of York (Miss McIntosh) spoke in detail and about which she asked me many detailed questions. I am happy to respond to some of those questions, but if I answered them all, I could deal only with her speech, and not with those of other hon. Members. Even then, I probably would not have enough time. I am happy to write to the hon. Lady if she feels that I have not dealt with any of her questions.

Some of the issues that the hon. Lady raised can, as she will know, be more appropriately dealt with by ministerial colleagues who attend specialist councils. One of the

[Ms Joyce Quin]

down sides of being Minister for Europe is that I tend to be asked about every policy under the sun from wide-ranging issues about the future of Europe to the marketing of aubergines in the French Antilles. It is sometimes something of a challenge to answer all those points.

Agenda 2000 is an important package of issues that the EU must confront if it is to move the process of enlargement forward. The issues involved include the budget, agriculture and the structural funds. Much common ground has been established, particularly on structural funds and on the problems that should be addressed by objective 1, objective 2 and so on funding. None the less, a lot of work remains to be done, both on future EU financing and on common agricultural policy reform. Many comments have been made about the new German Government, but no one has said that that Government, much more than their predecessor, share our ideas on CAP reform. We hope to make important progress on that reform through the Agenda 2000 proposals.

As my right hon. Friend the Foreign Secretary pointed out, although the Commission's proposals on agriculture do not go as far as we would like, they would reduce support prices for a variety of products and would mean real gains for our consumers. My right hon. Friend quoted revealing figures on that. We believe that the Commission's proposals would allow us to work with like-minded Governments to increase pressure to make such reforms even better in future.

Many hon. Members have referred to the timetable of the Agenda 2000 negotiations. I agree that it is important to respect that timetable, particularly if we are to make a success of early enlargement. The hon. Member for Vale of York spoke of the European Parliament's deliberations on the timetable. There is some concern that the Parliament may not meet the deadline, as well as concern that the Council of Ministers might not. I urge the hon. Lady to try to pressure her colleagues in the European Parliament. If agreement is not reached in the present Parliament, we risk considerable delay because of the coming elections and the subsequent need for the Parliament to appoint new officers and set up new committees and procedures.

The hon. Lady expressed concern about the future of structural funds in her own part of the country, and she will know that delay to the timetable, with resulting delays in budgetary decisions, could affect structural fund allocations to areas in which many hon. Members on both sides of the House have an interest. Self interest gives us a strong reason to respect the timetable.

Many hon. Members referred to the importance of enlargement and I certainly strongly endorse those comments. However, I must point out to those on the Opposition Front Bench that, far from any weakening of our commitment, we are as firm a supporter of enlargement as ever. We were proud to support and launch the enlargement process during our presidency.

The hon. Member for Somerton and Frome (Mr. Heath) urged us to be inclusive in our approach, and we most certainly are. We believe that the countries involved need to be treated on their merits. Some of them have made dramatic progress, as has been pointed out, and that must be fully recognised.

Mr. Letwin: In that case, will the Minister confirm—as one of her colleagues, the Financial Secretary, did not do so in the European Standing Committee—that the Government will oppose the Commission's proposal that countries should have to enter both stage 1 and stage 2 of European monetary union before they can accede?

Ms Quin: Those are issues to be discussed with the applicant countries. I will certainly not lay down rules in advance of the accession negotiations. Indeed, I know from speaking to Ministers in the applicant countries that different countries view those issues differently.

We need to ensure that the European Union is in a good position to welcome those new countries. I think that it was my hon. Friend the Member for Wimbledon (Mr. Casale) who strongly argued that, although we are understandably asking applicants to accept many of the rules and arrangements that exist within the EU, at the same time we have a responsibility to organise ourselves to become more enlargement friendly.

One aspect of Agenda 2000 and the Commission's proposals that greatly concerns me and on which we are arguing against the Commission line, is that farmers in the new member countries should receive much less favourable compensation than those within existing EU countries. We have argued for compensation to existing farmers to be reduced progressively, so that we do not create such a two-tier system, which would unfairly discriminate against applicant countries.

Despite some of the claims made tonight about our rolling over and agreeing with everything that is put forward in Europe, I can assure the hon. Member for West Dorset (Mr. Letwin) and his hon. Friends that that is simply not the case. We are putting forward strong and distinctive views on many of the issues in the Agenda 2000 timetable. In no way are we simply sitting back and accepting what others propose.

If enlargement is to be inclusive, it also means that it should not create new boundaries further east. Referring to a point made by the hon. Member for Somerton and Frome, the European Union has a clear responsibility to look outwards. There are debates within the EU, and there are protectionist and anti-protectionist forces. We want to ensure that the EU operates openly, so that it helps the economic reform and progress that is being made in countries further east, as well as helping developing countries in the world market, particularly in the agricultural sector.

Mr. Flight: Is there any support from our fellow members of the EU for the position that the right hon. Lady has described on Agenda 2000 and enlargement?

Ms Quin: Yes, indeed. The pattern is mixed on the issues that I described, but a variety of members support our position and we have received support from the Commission itself on many of the agricultural issues. I do not feel at all defeatist as regards the issues that we are discussing, nor do I recognise the description of Britain's position or of Ministers' meetings that has been offered by some Members, in particular those on the Opposition

Benches. On most issues, we find ourselves working in partnership with our colleagues, not in isolation. There are issues on which decisions must be made by unanimity where it is theoretically possible to become isolated and end up voting against the rest. However, in practice, in the meetings that I have attended as a Foreign Office Minister acting as a Justice and Home Affairs Minister, in which almost all decisions are taken by unanimity, the pattern of agreement, support and alliances that we have been able to build up with our European Union partners is impressive.

Hon. Members referred to the importance of the European Union remaining firmly engaged with Russia, of doing what we can to support change there and of helping it in the immediate future. We have been trying to ascertain how much food aid and support is needed, although I must admit that we have been getting different versions of what those needs are. We also want to examine trading arrangements with Russia, and consider how EU programmes such as TACIS—technical aid to the Commonwealth of Independent States—can be refocused to make them more effective, especially in reshaping Russia's banking system and installing proper financial controls, the absence of which has caused many of its recent problems.

Mr. Letwin: I apologise for interrupting the Minister again—she has been exceptionally courteous. However, as one who has worked long and hard with TACIS, I have to tell her that, if she is suffering from the illusion that it will ever make the slightest difference to the Russian banking system, she really should talk to those who have worked on it, because there is not the slightest chance.

Ms Quin: I simply do not accept that, because I have been involved in discussions on how to take that work forward. However, I would not commend TACIS without reservations, because many British firms working within it have been frustrated by the slowness of procedures and the way in which payments are made. Those problems must be sorted out.

The right hon. Member for Haltemprice and Howden (Mr. Davis), a former Minister for Europe, took the Government to task over various issues, saying that we had failed to achieve agreements with our partners. That struck me as odd coming the week after our success in the lifting of the beef ban. Some of what he presented as a complete failure, I would regard as a success, for example, our decision to sign the social chapter. It was always a matter of great regret to me that the Conservative Government refused to sign that or the social charter which preceded it, and were never prepared to make even a basic commitment to decent treatment for the people who work in the single European market.

Many hon. Members referred to tax harmonisation. I believe that the press articles of the past couple of weeks are scare stories, because nobody is proposing the harmonisation of income tax, which is one of the claims; nor is there a specific proposal to harmonise corporation tax. In the European Union, it is important not only to see what is happening within it, but to see the position of the European market within the Organisation for Economic Co-operation and Development and in the wider world. One of my European counterparts told me of her worry that, if there were moves to harmonise tax within the European Union, we would take our eye off the ball—the position of the EU within the world market. My hon. Friend the Member for Watford (Ms Ward) referred to the need for us to be competitive in both the world market and the EU market. My right hon. Friend the Chancellor has made it clear that the UK will not support any action that will damage competitiveness, or our employment creation policies in the UK. That is extremely important.

The speech of the hon. Member for Teignbridge (Mr. Nicholls) contained several references to "Corpus Juris". He said that he had read the treaty of Rome, but if he supplements his reading with the treaty of Amsterdam he will see that the articles—

It being Ten o'clock, the motion for the Adjournment of the House lapsed, without Question put.

ESTIMATES

Motion made, and Question put forthwith pursuant to Standing Order No. 145 (Liaison Committee),

That this House agrees with the Report [16th November] of the Liaison Committee.—[*Mr. Hill.*]

Question agreed to.

London, Tilbury and Southend Railway

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Hill.]*

10 pm

Mr. John Cryer (Hornchurch): I thank Madam Speaker for choosing this subject for tonight's debate. The London, Tilbury and Southend line was chosen for debate before, but, along with other business, fell prior to the Queen's Speech. I also thank the Minister for her presence in the Chamber this evening.

My involvement with the London, Tilbury and Southend railway as a passenger pre-dates my election as a Member of Parliament. Although my remarks refer to the railway that runs from Fenchurch Street to Shoeburyness, I am concerned mainly with what is called the Tilbury loop, which runs through Rainham station in my constituency and through two stations, Dagenham Dock and Purfleet, in neighbouring constituencies.

Since my election—or shortly thereafter—I began to receive complaints from my Rainham constituents about service on the LTS line. People came to my surgeries and wrote to and telephoned me. I express my appreciation of the time and effort that my constituents have expended contacting me and attending meetings of the Rainham rail users group, which I helped to establish when, following an avalanche of complaints, it became clear that collective action was necessary. I expected about 20 or 30 people to attend the group's first meeting in September, but in fact there were probably 80 or 90. The mood of the meeting was so angry that, if an LTS Rail representative had been present, he or she would have had a pretty tough time.

I will give the House some idea of the feeling about LTS in my part of the country. An Essex radio station conducted a survey some time ago to discover the most unpopular man in Essex and east London. The managing director of LTS Rail, Ken Bird, finished second in that survey, pipped at the post by Saddam Hussein. That gives hon. Members some idea of how my constituents and, I suspect, people from neighbouring areas regard the LTS service.

That is hardly surprising in view of the correspondence that my constituents and I have received. In a letter last July, the managing director, Ken Bird, offered some fairly patronising comments. As part of an explanation as to why the service from Rainham is so poor, he wrote:

"We offer a walk-on, walk-off non-reservable system".

He concluded:

"It is now pleasing to be able to manage a retail venture that recognises that profit comes from giving customers what they want at a price they are willing to pay. We are not there yet, but give me another 18 months and judge us then."

People have been using LTS for three years since privatisation. It is fair to say that they have every right to judge the service now rather than waiting another 18 months. LTS has had quite enough time already. In any case, the Tilbury loop service, which runs through my constituency, has worsened since privatisation.

Many managers, including Ken Bird, ran the pre-privatisation British Rail service. They laid off many station staff before the sell-off and, after privatisation, took on low-paid security guards, whom I see regularly at Fenchurch Street checking tickets and giving directions. Just before privatisation British Rail spent £150 million on resignalling the line—an investment from which LTS clearly benefits.

A choice paragraph from one of the railway's leaflets states:

"LTS Rail has now employed a number of key staff in order to improve customer service and the station environment."

To many of my constituents, such comments are pure propaganda, especially when considered against the fact that the work force fell from 686 in 1995-96 to 657 in 1996-97. I am convinced that that has led to the cuts in the Tilbury service. There have been cancelled trains, frequent delays and the early closure of the booking office at Rainham and other stations. The company is not prepared to employ sufficient staff to run the line successfully.

I shall give the Minister an example. Two years ago there were six trains running between 8 and 9 am from Rainham to Fenchurch Street. There are now just three trains: the 8.12, the 8.27 and the 8.48. Like many trains since privatisation, the 8.48 has been reduced from eight coaches to four, leading to such overcrowding that I wrote to the Health and Safety Executive to find out whether it could do anything about the problem.

The HSE wrote back saying that overcrowding was not a danger in itself, but if there was an accident, as was the case in Clapham, an overcrowded train would be likely to result in many more injuries to the passengers than a train that was not overcrowded. Because most of the trains on the Tilbury loop are the old slam-door trains, there are no suitable handles for passengers to hang on to when they have to stand to travel to work and home again.

Last year LTS Rail failed in its obligation to run 98.5 per cent. of timetabled trains. It cancelled 1,500 trains, and 2,000 trains ran late. Nevertheless, Prism Rail, the parent company of LTS, has received a considerable amount of money from the taxpayers' pocket—not only the £150 million that went into resignalling, but £30 million from the franchising director in 1995–96, which will fall towards the end of the franchise in 2011 but is still a substantial sum. Passenger income for 1995-96 was £52 million and for 1996-97 it was £55 million. Revenue grant for the same years was £31 million and £24 million respectively. Large sums are going into LTS, but people are not seeing the benefits, and there is growing anger among my constituents.

I shall give some examples of constituents' experiences with LTS Rail. My hon. Friend is familiar with one case, about which I have corresponded with her. It involves a woman who was stranded at Barking late at night after a train broke down. Only five taxis were provided to get everyone home from a full train. The woman had to ring her mother to send a taxi to take her home at about 1 o'clock in the morning. My hon. Friend will recall that British Rail was obliged to get everybody to their destinations if a train broke down, using licensed taxis or buses. It seems from that case that LTS is not meeting its responsibilities.

Another constituent writes to me regularly about the problems on LTS. On 18 November she wrote detailing all the delays and problems that she had experienced during that month. On six days during the first half of November there were problems including late trains, cancelled trains and locked carriages, leading to ever greater overcrowding and so on.

A constituent writes regularly with the outstanding excuses used by LTS. The corker was the announcement that

"the delayed 7.55 am will not stop at Rainham due to the train already being heavily overcrowded."

In fact, when the train came through the station it was almost empty and—this is the telling point—it got to Fenchurch Street on time. Perhaps that had something to do with the fact that it did not stop at Rainham station. It meant that the railway could fulfil its obligations under the regulatory framework.

There has been investment in the railway, but it has gone on the main line—most was by Railtrack—in rail renewal. There has been minimal investment on the Tilbury loop. Stations are miserable and often deserted because there are not enough staff. The railway is extremely badly run and there is no sign of investment in the pipeline.

The result is fear among my constituents that part of the Tilbury loop could be run down to the point where it might face closure. The three stations—Rainham, Dagenham Dock and Purfleet—are always cited when people come to me to express that fear. I met Ken Bird last week and he assured me that Rainham station would remain open. He pointed out that LTS was legally unable to close any stations or any section of line that it runs, because that is a matter for the franchising director.

I have written to the franchising director to ask for an assurance that those three stations and the rest of the line will remain open until the end of the current franchise, which is 2010-11. I look forward to receiving that assurance.

My view, which is not always shared by the Government, is that certain things are best run as publicly owned monopolies. The railway system is one area that should be publicly run, owned and accountable. People across the country have problems, some of which are worse than those experienced on LTS. If the enormous problems in Britain's rail network continue, my hon. Friend and other Ministers will have to think about that.

In the meantime, we must consider strengthening the regulatory framework to make sure, for instance, that LTS does not get away with the diminution in the service from Rainham to Fenchurch Street. LTS should have to provide the sort of service—or better service—than was provided before privatisation. We should return to the days when there were six trains between 8 o'clock and 9 o'clock in the morning from Rainham to Fenchurch Street, and those six trains should carry eight carriages.

The franchising director has allowed LTS to delay the introduction of new trains—despite all the money that is going from the taxpayer's pocket into LTS. The introduction of new trains to replace the old slam-door variety has been delayed by three years and they will not come into service until 2002. That is another example of the laxity of the regulatory framework, which is hardly surprising: it was introduced by the previous Government, who saw rail privatisation as a way of taking money out of the taxpayer's pocket and diverting it into the pockets of shareholders.

The great problem is that, in any privatisation—rail or any other—the people who run the railway ultimately have greater responsibility to shareholders than to anyone else. That is the crux of why there is such a system on LTS and on other railways.

10.14 pm

The Minister for Transport in London (Ms Glenda Jackson): I congratulate my hon. Friend the Member for Hornchurch (Mr. Cryer) on securing the debate—twice. I also congratulate him on putting on the record so succinctly the concerns and the experiences—the bad experiences—of his constituents in respect of the service that they are receiving from the London, Tilbury and Southend railway.

The Government have made it clear that poor performance on our railways is unacceptable—it will not be tolerated. We expect train operators to run punctual and reliable services, and we expect Railtrack to meet its obligations to passengers, freight customers and taxpayers to maintain and develop the rail network in a manner that offers proper value for money.

Hon. Members—indeed the whole country—will be aware that all franchisees and Railtrack were summoned to a meeting last week with the Deputy Prime Minister, the Minister of Transport and me. As a result of that meeting, an action plan has been agreed to tackle performance problems across our railway network. Measures agreed include 800 new train drivers, 500 new vehicles, a joint hit squad to examine, identify and tackle the worst 50 black spots on our network, and a national troubleshooter team to tackle punctuality problems. We shall also introduce a new national passenger survey to find out what passengers really think about their rail services, and to help measure performance across the network.

That action plan is only a first step to delivering short-term improvements for passengers. We expect to see progressive, year-on-year improvements from the industry starting over the next 12 months. Next February, there will be a wider-ranging national railway summit to examine how to tackle medium to longer-term performance problems.

My hon. Friend spoke specifically and succinctly of the difficulties on the London, Tilbury and Southend line. I hope that he will be interested in a stroll down memory lane. When I first entered the House, the LTS line was dubbed the misery line. Hon. Members from both sides related horror stories of their constituents' experiences on a service that was going not from bad to worse, but from worse to execrable. That was before rail privatisation, and shows the previous Administration's failure to invest adequately in our national railway system.

However, it would be quite wrong to pretend that performance on the LTS line has not improved since that time. Some would say that it was impossible for it to get worse, and as my hon. Friend has detailed, it is by no means perfect. Despite the fact that 96 per cent. of LTS trains have arrived within five minutes of their scheduled time—a statistic that I regret to say many other train operators cannot match—problems with the renewal of overhead line equipment has caused cancellations, and season ticket holders are receiving discounts as a result. As we all know, what passengers and season ticket holders want more than discounts is certainty that the train will be there when they arrive at the station, and that it will reach its destination at the designated time.

My hon. Friend referred to his constituent's particularly harrowing experience. He wrote to me on this issue, and I promised that I would raise it with the Association of Train Operating Companies, which I meet regularly. Last

[Ms Glenda Jackson]

month, I reminded ATOC of the need for train operators to be mindful of their responsibility not to leave passengers stranded when services are disrupted. It is vital that train operators consider the personal security of their passengers during their whole journey, particularly at night, and, I would argue, even more particularly when the passenger is female.

Train operators are required to use all reasonable endeavours to deliver passengers to their destination station when services are disrupted. Although they are not formally obliged to do so, ATOC has assured me that train operators take passengers to their final destination when that is practicable or necessary for their personal security.

I raised this issue with the managing director of LTS, Mr. Bird, who said that he would speak directly to my hon. Friend. I trust that that is indeed what happened.

My hon. Friend expressed fears that there may be proposals to close the services that serve his constituency and what he referred to as the Tilbury loop. Services on the loop, as elsewhere on LTS, are protected by the passenger service requirement, which guarantees a minimum level of service.

I understand that, with the franchising director's agreement, LTS has rearranged the service pattern on the loop to increase frequency on the Ockendon branch, and to provide direct services to London. That has allowed LTS to run direct services to Chafford Hundred for the Lakeside shopping complex.

My hon. Friend referred to reductions in services on the line. I understand that the winter timetable has involved a cut of one train from both morning and afternoon peak times—a reduction from the summer timetable of, I believe, 12 to 11 trains in the morning and from 11 to 10 in the afternoon. I will, however, look into the specific issue that my hon. Friend raised.

Although I am pleased that more people are travelling by train, I accept that has resulted in serious overcrowding on certain London commuter services—certainly, as my hon. Friend pointed out, on LTS. All train operators have a general obligation to avoid excessive overcrowding, but more specific controls apply to London commuter services such as LTS at peak times.

Earlier this year, the franchising director required five London train operators to develop action plans to alleviate the serious overcrowding on their services. LTS has so far remained within the contractual limits set by the franchising director, but, like other operators, it has experienced an increase in passenger numbers over the last year. I expect the franchising director to ensure that, where network capacity allows, all operators of London commuter services take immediate action to reduce any severe overcrowding that may occur now or in the future.

We have made it clear that train operators' performance will be a key criterion when it comes to franchise renewal. Those who perform well will find that we are constructive partners. We are willing to renegotiate franchises, including franchise extensions, when that offers benefits to passengers and good value for money to the taxpayer; but our warning to train operators who perform poorly is simple and clear. Those who perform badly will not have a long-term future in the industry.

Last month, the franchising director announced a new package of benefits for LTS passengers. I was particularly pleased that it resulted from a voluntary renegotiation by the franchising director and Prism Rail of LTS's franchise plan commitments, rather than being recompense to passengers for poor performance. The package clearly signalled a commitment to responding to passengers' needs, and I hope that it was welcomed by them.

I accept that, as a result, some existing slam-door trains will not be replaced as soon as was originally agreed, although the majority will be replaced within a year with new trains already ordered by LTS. I know—and my hon. Friend raised the point this evening—that there is concern about the safety of older rolling stock. Slam-door rolling stock is not necessarily unsafe, but it has been criticised for its performance in certain types of accident. The Health and Safety Commission has recommended that all mark one stock should be withdrawn by 1 January 2003 unless it has been re-bodied or modified.

The new deal commits LTS to replacing its remaining slam-door stock progressively with modern sliding-door vehicles by the end of March 2002. Its fleet currently numbers 69 four-car units, of which 17 have sliding doors. By November 1999, 44 new four-car units will be in service, and by March 2002 a fleet of 72 four-car units will all have sliding doors.

The new deal offers a considerable package of additional benefits to LTS passengers to offset the delay in replacing the slam-door trains. LTS's passenger charter punctuality standard and trigger for season ticket discounts has been increased by 1 per cent., with immediate effect. Compensation for delays of 60 minutes or more has increased from 20 per cent. to 50 per cent. Contractual thresholds for cancellations and capacity have been tightened, so that enforcement action can be triggered at a lower level. Those thresholds will be further tightened in April 2000.

To help to meet the growing demand for commuter rail services into London, LTS has committed to extending its scheme for cheap early morning season tickets to more stations from May 1999, providing travel to Fenchurch Street at a discount of at least 20 per cent. A total of £2 million will be spent on service quality improvements, including real-time passenger information systems by the end of March 2000. A further £50,000 will be spent in each year until the end of the franchise on providing further staff coverage at stations. I hope that that fact affords some comfort to my hon. Friend the Member for Hornchurch.

Other welcome benefits included improvements to facilities for disabled passengers, including disabled toilets and boarding ramps at all 11 of LTS' main stations. LTS will seek accreditation for all its stations under my Department's secure stations scheme, and similar accreditation for car parks at its stations. Improved cycle storage facilities have been promised at a further six stations.

The new deal committed LTS to improving transport integration between its services and other public transport services and commercial development, moving towards our vision of a railway that is integrated with other modes of transport and allows people to travel by public transport to the places that they want to reach. In particular, LTS has committed £700,000 to improving pedestrian access to the Lakeside shopping centre from Chafford Hundred

station. It has committed to building further links with bus services in the local area. It will work with Great Eastern railway to develop season tickets between London and Southend that can be used on either train operators' services.

On our plans for the future of passenger rail services, renationalisation—not a word that my hon. Friend the Member for Hornchurch uttered, but it is clearly still his dream—of the railways would be very expensive and cannot be a priority given the other demands on public expenditure. Therefore, our task is to improve the railways as we find them, not as we wish them to be.

We will introduce a new strategic rail authority to provide a clear, coherent and strategic programme for the development of the railways. The SRA will provide a better means of influencing the use of the significant amounts of public funds that we provide to the industry, to the benefit of passengers and taxpayers.

The Loyal Address on 24 November has now given us the go-ahead to publish a draft Bill to introduce the necessary legislation to establish the SRA. Given the extraordinary events that are taking place down the corridor and the even more extraordinary events that are taking place in the official Opposition, legislation could come sooner, rather than later.

However soon we legislate, it will take at least 18 months to get the SRA up and running. That is why the Deputy Prime Minister announced at Blackpool the setting up of a shadow SRA. That will use existing organisations—the British Railways Board and Office of Passenger Rail Franchising—both of which will be under new leadership by next spring, when the new shadow authority will be up and running.

I acknowledge that not all the challenges that face the rail industry can be solved overnight. It is clear that, in many instances, the passenger and taxpayer are still not getting the best deal in the privatised railway; indeed, my hon. Friend the Member for Hornchurch gave us details of that fact. We are under no illusions about the scale of the challenge that we have set ourselves, but we are determined to work with the rail industry to achieve our goal.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Ten o'clock.

Written Answers to Questions

Wednesday 25 November 1998

HEALTH

Pharmaceutical Price Regulation Scheme

Mr. Barron: To ask the Secretary of State for Health what arrangements he proposes to ensure compliance with the renegotiated Pharmaceutical Price Regulation Scheme; and if he will make a statement. [60984]

Mr. Dobson: The Pharmaceutical Price Regulation Scheme has existed for over 40 years, and is designed to provide reasonable prices for the National Health Service and fair rates of return for the pharmaceutical companies who supply the NHS. The Government remain committed to these objectives, and are currently renegotiating the Pharmaceutical Price Regulation Scheme with representatives of the pharmaceutical industry.

The Government regret that there is increasing non compliance by a limited number of companies with the current voluntary agreement. This is adding to the NHS drugs bill at the expense of other NHS treatment and care. In these circumstances the Government have concluded that to ensure full compliance with a new agreement it will be necessary to take reserve powers in the forthcoming NHS Bill. These will make it possible to secure the compliance of any companies who might in future choose not to abide by the voluntary agreement.

TREASURY

Public Service Pensions

Ms Lawrence: To ask the Chancellor of the Exchequer what plans he has to increase public service pensions from April 1999. [60987]

Mr. Byers: Legislation governing public service pensions requires them to be increased annually by the same percentage as State earnings-related pensions (additional pensions). My right hon. Friend the Secretary of State for Social Security announced on 28 October 1998, *Official Report,* columns 339–42, that additional pensions will be increased by 3.2 per cent, in line with the annual increase in the Retail Prices Index up to September 1998. Public service pensions will therefore be increased by 3.2 per from 12 April 1999, except those which have been in payment for less than a year, which will receive a pro-rata increase.

HOME DEPARTMENT

Human Rights Act 1998

Fiona Mactaggart: To ask the Secretary of State for the Home Department when he intends to bring into force section 19 of the Human Rights Act 1998; and in what form statements under that section on compatibility with the convention rights will be published. [60985]

Mr. Straw: I have made an order under the Human Rights Act bringing section 19 into force on 24 November.

Statements under section 19 will appear as a note on the face of each Government Bill and in the explanatory notes for most Bills. This will enable anyone obtaining a copy of the Bill in paper or electronic form to see at once the statement.

There may be occasions when a Bill which has been amended at a late stage in the House into which it was first introduced cannot be accompanied by a statement when it is first printed in the second House. In these situations, a statement will be appended to the Bill by the time of Second Reading and the circumstances will be explained in a Written Answer.

The statements will be in the following form and will appear on the front page of each Bill:

European Convention on Human Rights

Mr. Secretary . . . has made the following statement under section 19(1)(a) of the Human Rights Act 1998:

In my view the provisions of the . . . Bill are compatible with the Convention rights.

or

Mr. Secretary . . . has made the following statement under section 19(1)(b) of the Human Rights Act 1998:

I am unable to make a statement that in my view the provisions of the . . . Bill are compatible with the Convention rights but the Government nevertheless wishes the House to proceed with the . . . Bill.

In the explanatory notes the statement will be referred to as follows:

European Convention on Human Rights

Section 19 of the Human Rights Act 1998 requires the Minister in charge of a Bill in either House of Parliament to make a statement about the compatibility of the provisions of the Bill with the Convention rights (as defined by section 1 of that Act). On [date] the Secretary of State for . . . made the following statement before Second Reading of this Bill in the House of [Commons] [Lords]:

In my view the provisions of the . . . Bill are compatible with the Convention rights.

or

I am unable to make a statement that in my view the provisions of the . . . Bill are compatible with the Convention rights but the Government nevertheless wishes the House to proceed with the . . . Bill.

Young People (Sexual Abuse)

Mr. Ashton: To ask the Secretary of State for the Home Department what conclusions were reached by the interdepartmental working group on preventing unsuitable people from working with children and abuse of trust on the need to protect vulnerable 16 and 17 year olds from sexual advances by those in authority over them; and if he will make a statement. [61127]

Mr. Boateng: The working group were asked to prioritise their work on abuse of trust. We have today placed a copy of their interim report on this in the Library.

The working group recommend a limited criminal offence to protect boys and girls of 16 and 17 from sexual advances by those in authority over them in specific circumstances. The circumstances would include young persons compulsorily detained; looked after by the local authority (whether in foster care, residential care, or semi-independent accommodation); receiving health and/or social care in a residential setting (including hospital); and receiving full time education. We accept this recommendation. As announced on 24 November 1998, *Official Report*, column 6, we will bring forward this Session proposals to implement it at the same time as we give Parliament an opportunity to vote on equalising the age of consent for boys and girls.

The working group also recommend a Government initiative to strengthen codes of conduct generally to protect young people from those in positions of authority over them. They are taking this forward as a matter of priority. The first step is a seminar involving outside organisations on 30 November, and work will continue on this throughout next year.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Leasehold Reform

Ms Oona King: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to publish proposals for leasehold reform. [60855]

Ms Armstrong: We shall be publishing a consultation paper on Thursday 26 November. Copies will be available in the Library.

Waste Disposal

Mrs. Humble: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has for the implementation of a change to a tonnage based levy for statutory joint waste disposal authorities. [60857]

Mr. Meale: After announcing the proposed change from a council tax to a tonnage based system for the apportionment of Joint Waste Disposal Authorities levies, the then Parliamentary Under-Secretary of State, my hon. Friend the Member for Wallasey (Angela Eagle), asked officials to work out methods for such a system and to discuss them with the local authority associations. A consultation document was issued on 9 July to those associations, the JWDAs and their constituent authorities with the intention of implementing the change in time for the 1999–2000 levy. This consultation prompted a large number of considered responses.

As part of the development of a waste strategy for England and Wales, we are looking at the way in which all waste management functions are funded, both in areas where there are Joint Waste Disposal Authorities (JWDAs) and more widely. The proposal to change the levy arrangements to one based on the tonnage delivered for disposal, was part of this exercise.

There are, however, obvious implications for the operation of the recycling credits scheme, a key element in the financing of local authority waste management. In response to the consultation paper "Less Waste: More Value", on the waste strategy for England and Wales, views were expressed that aspects of the recycling credits scheme needed amendment. We have therefore decided to undertake a review of the recycling credits scheme. A decision on the levy basis for JWDAs has therefore been postponed pending the outcome of this review.

Social Exclusion Action Teams

Ms Stuart: To ask the Secretary of State for the Environment, Transport and the Regions if she will announce the membership of the 18 policy action teams referred to in the Social Exclusion Unit report, "Bringing Britain Together: a national strategy for neighbourhood renewal", published on 15 September. [60988]

Ms Armstrong: The Social Exclusion Unit's report "Bringing Britain Together: a national strategy for neighbourhood renewal" set out proposals for an intensive programme of policy development involving 18 cross-cutting Policy Action Teams based around five themes: getting the people to work; getting the place to work; building a future for young people; access to services; and making the Government work better.

The Programme of policy development work will be completed by December 1999, when we will put together the outcome of all the reports into a coherent strategy. I am overseeing the whole process, and each Team has a champion Minister assigned to it.

I am announcing today the full membership of the Policy Action Teams. The Teams include members drawn from central and local government, the voluntary and private sectors as well as people living and working in poorer neighbourhoods. They will play an important part in achieving more joined-up Government policy and action on the ground. I have today placed the membership details in the Libraries of both Houses.

Ship Passengers (Compensation Claims)

Mr. Pound: To ask the Secretary of State for the Environment, Transport and the Regions what action the Government are taking to ensure the availability of adequate compensation to meet claims arising from the death of, or injury to, passengers on board ships. [60989]

Ms Glenda Jackson: I have signed an order today which will triple the minimum amount of compensation available for passenger claims. The order will affect ferry operators, travel agents and tour operators whose principal place of business is in the UK. The new limit of liability of 300,000 Special Drawing Rights—SDR—(about £250,000) per passenger takes effect on 1 January 1999.

As soon as a suitable legislative opportunity presents itself, we wish to extend this protection more widely to include all passengers whose journey has a link with the UK. This would require the UK withdrawing from the 1974 Athens Convention. This Convention entitles foreign carriers to an outdated limit of liability of 46,666 SDR (about £38,000) per passenger. In the meantime, the UK will continue to press within the International Maritime Organisation for swift revision of the Athens Convention to provide for even higher compensation amounts, guaranteed by compulsory insurance cover.

I accept, and applaud, the fact that insurance and shipping companies have sometimes not bound themselves by the limits following accidents involving major loss of life. However, we must not be complacent, and this is why the Government intend to work towards better legal protection for all passengers.

Ministerial Meeting

Mr. Clapham: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement about the outcome of the meeting with Green Ministers. [61128]

Mr. Meacher: Green Ministers met on 18 November to discuss how to deliver the Greening Government Agenda. The meeting discussed action arising from the Government's response to the Environmental Audit Committee's Second Report on the Greening Government Initiative. We noted particularly that the Deputy Prime Minister had asked Green Ministers to consider and report to the Cabinet Committee on the Environment (ENV) on how far sustainable development can be incorporated into the remit of all existing Departments and their Non-Departmental Public Bodies. Each Green Minister confirmed that they were reviewing the position in their own Department, and would report back to the next Green Ministers' meeting early in 1999.

Green Ministers went on to discuss progress in integrating the environment into policies and operations. We agreed to establish a working group to consider the scope and format of future Green Ministers' reports to ENV, and the first published report on the activities of Green Ministers, to be produced in summer 1999.

Green Ministers' meetings normally consider one cross-cutting issue in some detail. On this occasion we discussed how to get the most from Green Transport Plans and the action that would be needed to meet the specific targets set out in the White Paper "A New Deal for Transport: Better for Everyone".

The meeting ended with a preliminary discussion of the consequences for the Green Ministers' network of devolution to Scotland, Wales and Northern Ireland. Green Ministers decided to examine in more detail the membership implications of devolution and to propose future arrangements at the next meeting in February.

Twelve Green Ministers attended the meeting on 18 November; other Departments were represented by officials.

Countryside Agency

Mr. Clapham: To ask the Secretary of State for the Environment, Transport and the Regions what decision has been made about a name for the new agency to be created by the merger of the Countryside Commission and those parts of the Rural Development Commission not being transferred to the regional development agencies. [61129]

Mr. Meacher: I have accepted a recommendation made jointly by the two Commissions that the name for the new body should be the Countryside Agency. This name will be included in the order under section 35 of the Regional Development Agencies Act 1998 which will effect the formation of the new body, and which will be laid before Parliament in the New Year.

The Commissions also propose that this name should be accompanied for day-to-day purposes by the strapline—*working for people and places in rural England.*

CULTURE, MEDIA AND SPORT

Disabled Football Supporters

Ms Ward: To ask the Secretary of State for Culture, Media and Sport what response he has made to the Football Task Force report into improving facilities for disabled supporters. [60871]

Mr. Banks: I fully support the practical recommendations made in the Task Force's report to improve access and facilities at football grounds for supporters with disabilities. I have written today to the bodies identified in the report as having a role to play in implementing the relevant recommendations.

There are several recommendations which are for Government to progress. These relate to amending the Approved Document (AD) for Part M of the Building Regulations to require all new stadia, new stands and extensions to existing facilities to provide wheelchair spaces in accordance with the Guide to Safety at Sports Grounds; to drawing up a sliding scale for the numbers of designated seats for people who are ambulant disabled or visually/hearing impaired within new stands or stadia, and amending Part M accordingly; and to extending the future role of the Football Trust to improve disabled facilities at grounds.

Any changes to the Building Regulations require statutory consultation and will be based on the advice of the Building Regulations Advisory Committee. The British Standards Institution have begun a comprehensive review of BS 5810 Code of practice for access for the disabled to buildings, and it is the intention of my right hon. Friend the Secretary of State for the Environment, Transport and the Regions to use this standard and its supporting research, once it has been completed, as a basis for developing proposals through the Building Regulations Advisory Committee to revise the AD for Part M.

In the interim, the Department of the Environment, Transport and the Regions have taken the opportunity to include references to the Guide to Safety at Sports Grounds in the current revision to the Approved Document to extend Part M to new housing. This will draw the guidance to the attention of interested parties.

The review of BS 5810 includes access for the ambulant disabled and when the Green Guide is next updated the standard will be taken on board.

The Football Trust is an independent discretionary trust. Any decisions on its future role is a matter for the Trustees, in accordance with the Trust Deed.

The recommendations made by the Task Force provide an excellent assessment of what has been achieved in the provision of facilities for disabled supporters and where improvements can still be made. The Government are determined to maintain the momentum of progress, by, for example, the continuing implementation of the Disability Discrimination Act 1995.

Government Indemnity Scheme

Mr. Leslie: To ask the Secretary of State for Culture, Media and Sport how many indemnity undertakings were given by Departments under section 16 of the National Heritage Act 1980 for the six-month period ended 30 September; and what was the value of *(a)* any contingent liabilities in respect of such undertakings given at any time under that section which remain outstanding as at 30 September, *(b)* non-statutory Government indemnities in respect of loans handled by the Government Art Collection which remain outstanding as at 30 September and *(c)* non-statutory undertakings to Her Majesty in respect of loans from the Royal Collection which remain outstanding at 30 September. [60972]

Mr. Chris Smith: The provision for the Government Indemnity Scheme is made by the National Heritage Act 1980. The scheme facilitates public access to loans of works of art and other objects of public display made to museums, galleries and other such institutions by private owners and non national institutions. It does this by indemnifying lenders against loss or damage to their loan. Loans covered by the scheme must be for public benefit. The scheme also covers loans of such objects for study purposes within borrowing institutions where this would contribute materially to the public's understanding or appreciation of the loan. Examples of this are enhancing interpretation or explanation to the public of objects or bringing into the public domain, the conclusions of any study.

In the six-month period ended 30 September 1998, the following undertakings to indemnify were given under section 16 by the relevant Departments for objects on loan to national and non-national institutions:

Department	*Numbers*
Department for Culture, Media and Sport	516
Scottish Office Education and Industry Department	62
Welsh Office Education Department	44
Department of Education for Northern Ireland	14

The value of contingent liabilities in respect of undertakings given at any time under section 16 and which remained outstanding as at 30 September 1998 is:

Department	*£*
Department for Culture, Media and Sport	1,557,374,160
Scottish Office Education and Industry Department	115,648,368
Welsh Office Education Department	39,302,926
Department of Education for Northern Ireland	5,627,210

The value of non-statutory Government indemnities to cover loans handled by the Government Art Collection and which remained outstanding as at 30 September 1998 is £8,000,000.

The value of non-statutory Undertakings given to Her Majesty in respect of loans from the Royal Collection and which remained outstanding as at 30 September 1998 is £107,200,583.

EU Culture Council

Ms Christine Russell: To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the outcome of the EU Culture Council on 17 November. [61130]

Janet Anderson: EU Ministers responsible for cultural and audiovisual issues met on 17 November 1998 in Brussels.

Ministers agreed to extend the funding programmes for the arts, Kaleidoscope, and for literature, Ariane, to 1999. From January 2000, a new single framework programme for culture, entitled Culture 2000, will replace the existing programmes, such as Kaleidoscope and Ariane, as well as Raphael, which covers heritage issues, and a range of other cultural actions. Culture 2000 will enable not only co-operation within traditional sectors, but cross-sectoral co-operation to take place. Ministers agreed a Common Position, subject to final agreement by the Netherlands, which will now be considered by the European Parliament.

Ministers also adopted a Resolution highlighting the important role of public service broadcasting in the digital era, and discussed other issues, including cross-border fixed book price agreements, statistics concerning the audiovisual and related sectors, and the convergence of the telecommunications, media and information technology sectors.

AGRICULTURE, FISHERIES AND FOOD

Agriculture Council

Mr. Drew: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the outcome of the Agriculture Council held in Brussels on 23 and 24 November. [61131]

Mr. Nick Brown: I represented the United Kingdom at a meeting of the EU Agriculture Council in Brussels on 23 and 24 November. My noble Friend Lord Sewel, Parliamentary Under-Secretary of State for Scotland, was also present.

The Council voted on a proposal made by the Commission for the lifting of the world-wide ban on the export of British beef in respect of meat from animals born after 1 August 1996. 10 Member States voted in favour of the measure; only one, Germany—for understandable domestic reasons—voted against. Spain, France, Austria and Luxembourg abstained. This vote represented a substantial move towards the Commission proposal by 5 Member States from the earlier vote in the Standing Veterinary Committee. Most important, the procedures under which the vote was taken in Council enable the Commission formally to adopt the Decision.

I can now announce to the House that within the last 3 hours the Commission has adopted the proposal, which permits the export from the UK of boneless beef and beef products from animals slaughtered between 6 and 30 months of age and born after 1 August 1996. That is the date on which the Commission have verified that all contaminated feed was removed from the food chain. There are further conditions which aim to prevent the offspring of BSE cases from entering the export scheme;

a requirement for the slaughter of offspring of BSE cases; and strict rules on slaughtering and processing. The Government will shortly issue a consultation paper on our proposals for implementing these rules. I shall be laying before Parliament secondary legislation which will make the offspring cull, which has been operating since July on a voluntary basis, compulsory. The legislation will provide compensation at the market rate, to owners of animals slaughtered.

This is an excellent outcome which I am sure the House will welcome. It has been achieved against a background of scepticism about the seriousness with which we have tackled BSE. We have now overcome these misconceptions and had our case judged objectively on its scientific merits and supported by independent Commission inspections, taking as our over-riding principle the absolute need to safeguard public health.

Every Agriculture Minister who spoke in the Council, including those who did not vote in favour, had very positive things to say about the commitment shown by the new United Kingdom Government to tackling the problems presented by BSE. The outcome is also an affirmation of the value of this Government's close co-operation and dialogue with our partners in Europe and with the European Commission.

The lifting of the ban comes hard on the heels of the support measures for the agriculture sector which I announced to the House on 16 November 1998, *Official Report,* columns 624–66. Both demonstrate the Government's commitment to securing a viable long term future for the sector.

The Council also held a discussion of the Commission's proposals for CAP reform in the context of the Agenda 2000 measures. These proposals are essential for the future stability of European agriculture and in order to facilitate a successful enlargement of the Union to the east. The Council agreed a report to the Vienna European Council next month identifying the main outstanding issues and expressing its determination to reach conclusions on the package as a whole by next March. It is an important Government objective to secure an ambitious reform of the CAP which serves the national interest and I very much welcomed the commitment by the Council to take early decisions. My right hon. Friend the Chancellor made similar points in the discussion in Ecofin on 23 November on the future financing of the European Union.

This was a very important Council meeting for the United Kingdom. We have achieved a major objective of our policy towards Europe in the lifting of the beef export ban. Although it will take time for the British beef industry to win back markets which have been lost to them in the past two and a half years, I believe we have created the conditions in which they can now plan for the future, confident that their industry is operating to the highest possible standards. Our immediate task is to work with the industry to ensure that the scheme which we have successfully negotiated in Europe works effectively to help regain recognition for the quality of British beef on world markets.

Food Standards Agency

Mr. Corbett: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on progress towards a Food Standards Agency. [61132]

Mr. Nick Brown: The Government are fully committed to the establishment of the Food Standards Agency as set out in the White Paper published in January 1998. It is a matter of regret that, because of the government's heavy legislative programme in other areas, it has not been possible to secure a space in the forthcoming Parliamentary session. My right hon. Friends the Secretaries of State for Health for Scotland, for Northern Ireland and for Wales and I are determined nevertheless to move action forward where we can, in the meantime, in ways which do not require legislation.

Since the general election, this Government have made a number of improvements to the way in which food safety and standards issues are handled. Officials from MAFF and DH are now working together in a Joint Food Standards and Safety Group, which reports directly to both the Secretary of State for Health and myself. The Group also liaises closely with the Scottish, Welsh and Northern Ireland Offices. The safety of the consumer lies at the heart of our decision making.

I am holding discussions with my right hon. Friends as to how we can, in practical terms, enhance these current joint working arrangements and lay further foundations for the Agency. As soon as we have completed these discussions, I will make a further announcement to the House. A draft Bill will be published in due course.

DEFENCE

Army Training Areas

Mr. Russell Brown: To ask the Secretary of State for Defence if he will make a statement about the support and administration of the Army's training areas and ranges. [60856]

Mr. Spellar: As part of the Government's search for efficiencies, the Commander in Chief Land Command is shortly to initiate a competition to seek a long term strategic partner from the private sector to assist in the development of a future strategy to deliver better value for money from the large number of contracts currently in existence from the support and administration of the Army's training areas and ranges. Details will be advertised in the Official Journal of the European Communities (OJEC) and MOD Contracts Bulletin.

Written Answers to Questions

Thursday 26 November 1998

FOREIGN AND COMMONWEALTH AFFAIRS

Afghanistan

Mr. Ben Chapman: To ask the Secretary of State for Foreign and Commonwealth Affairs if the United Kingdom continues to impose an arms embargo on Afghanistan in line with the EU's Common Position of 17 December 1996. [61609]

Mr. Fatchett: We remain committed to the EU arms embargo against Afghanistan which the UK interprets as covering all goods and technology entered on Part III to Schedule 1 to the Export of Goods Order 1994, as amended.

Following consultations with this Department and the Ministry of Defence, the Department of Trade and Industry recently approved two export licences: the first for the export of mine-clearance suits for use by the United Nations Office for the Co-ordination of Humanitarian Assistance to Afghanistan in its demining operations and the second for the export of mine clearance equipment for use by the Halo Trust to aid their demining activities also in Afghanistan. The grant of these licences are for humanitarian purposes, and are consistent with the purpose of the embargo.

CULTURE, MEDIA AND SPORT

Digital Radio Multiplexes

Ms Keeble: To ask the Secretary of State for Culture, Media and Sport what discussions he has had with the Radio Authority in relation to the limits on ownership of digital radio multiplexes under the Broadcasting Acts; and if he will make a statement. [60854]

Mr. Chris Smith: I have received representations from the Radio Authority and Commercial Radio Companies Association that the present limits on participation in bodies corporate holding digital radio multiplex licences which are included in the Broadcasting Act 1990 (as amended by the Broadcasting Act 1996) may hamper the development of digital radio. Although the overall regulatory framework for digital radio remains appropriate to the Government's policy aims and to the shape of the emerging digital radio sector, I believe that there is a case for some relaxation of the restrictions on the ownership of bodies corporate holding multiplex licences to encourage investment in this area.

Following discussions between the Authority and my officials I am today issuing a consultation paper seeking views on proposals to use my order-making power in paragraph 11(5) of part III of Schedule 2 to the Broadcasting Act 1990 (as amended) to amend the present limits in the Broadcasting Act. My proposals would allow the formation of a greater number of partnerships between radio companies for the purpose of applying for multiplex licences. However, my proposals are also designed to protect plurality of ownership and diversity of content by allowing smaller radio groups and stations the opportunity to make meaningful investments in a range of applications for local multiplex licences.

I am placing copies of the consultation paper in the Libraries of both Houses.

SCOTLAND

Water Industry

Mr. David Stewart: To ask the Secretary of State for Scotland what measures he has taken to implement the conclusions of the Government's Review of the Scottish water industry; and if he will make a statement. [61682]

Mr. Dewar: The Scottish Water Industry Review proposed a range of measures to modernise the Scottish water industry. A central measure was the proposal to create a new position of a professional regulator responsible for all aspects of economic regulation of the Scottish water industry and for promoting the customer interest. There was consensus in all parts of the industry, including the Customers Council, that this would be a major improvement on the present arrangements. To safeguard the operational independence of the regulator, I proposed in my statement to the House of 16 December 1997, *Official Report*, columns 145–58, that we should establish the position in statute.

The Water Industry Bill, which was published today, contains provisions to discharge this commitment. It will wind up the current Customers Council and establish a new Water Industry Commissioner for Scotland to promote the interests of the water authorities' customers. The Commissioner will assume most of the existing duties of the Customers Council and will have the new function of advising the Scottish Executive about setting water and sewerage charges over periods of several years. The Bill also establishes new Water Industry Consultative Committees for each water authority to advise the Commissioner on the promotion of customer interests in their respective areas.

These new arrangements will allow objective, professional regulation of water charges. Requiring the Commissioner to consider charges over a number of years, will ensure more long-term stability than at present. This will allow the water authorities to plan for the future with greater certainty, helping them deliver better services to their customers as efficiently as possible.

The Bill requires the Commissioner to publish the advice put to the Executive on charges and also any modifications the Executive might make to that advice subsequently. These arrangements will safeguard the operational independence of the Commissioner, and will make the operation of the new system transparent to the general public. The Commissioner will be accountable to the Executive and, through it, to the Parliament. I believe these arrangements will give customers the best possible deal on prices and quality of service.

The water industry review also stressed the need to tackle the chronic under-investment in the industry. I can report that by the end of the current financial year the water authorities will have invested over £800 million since 1996 in new and upgraded infrastructure, with a further £1,500 million of investment planned over the following 3 years. This scale of investment represents a massive transformation and modernisation of the industry and brings to an end decades of neglect.

The Review stressed the importance of a stable financial framework for the industry, and it should be helpful that the recent allocation of EFLs has been made on a three-year basis.

The Review also recommended that the water authorities should become more responsive at a local level. To promote this our new appointments to the Water Authority Boards brought the number of local authority representatives up to roughly half of the total. I also issued a direction to the water authorities on 14 August this year requiring them to consult local authorities and other local representative bodies regularly. Copies of this direction were placed in the Library. The evidence so far suggests that these new arrangements are working well.

In sum, to implement our review we are modernising and improving standards in water and sewerage on a scale unprecedented since Victorian times. We are investing massive sums in improving the quality of drinking water and cleaning up our beaches, as can be seen by the new investment being put in place through the length and breadth of Scotland. And we are ensuring that our authorities are open, democratically accountable, responsive to local concerns and professionally regulated.

HEALTH

Correspondence

Mr. Ottaway: To ask the Secretary of State for Health when he expects to reply to the letters of 15 and 18 August from the hon. Member for Croydon, South to the then Under-Secretary, the hon. Member for Brent, South, (Mr. Boateng) on the future of the Medium Secure Unit at Cane Hill, Croydon. [60869]

Mr. Hutton: There is no record of these letters having been received in the Department. If the hon. Member will arrange for copies to be sent to me, I shall ensure they receive urgent attention.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Local Government Finance

Mr. McNulty: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to announce the provisional local government finance settlement for 1999–2000. [61635]

Mr. Prescott: I shall be making a statement to the House on Wednesday 2 December.

HOUSE OF COMMONS

Floodlighting

Mr. Walter: To ask the Chairman of the Accommodation and Works Committee what change has been made to the floodlighting of the river frontage of the Palace of Westminster. [60991]

Sir Sydney Chapman: A new floodlighting scheme for the riverside elevation of the Palace was switched on for the first time on 18 November. My Committee agreed that it should be implemented as part of this year's programme of works because the previous floodlighting arrangements on the terrace were so unsatisfactory. They had consisted of temporary lights which were placed on the terrace only during the summer recesses. At other times of the year this elevation of the building was not illuminated because the floodlighting caused nuisance by spilling light into the rooms on the river front. The night time view of the unlit Palace from the riverside was most disappointing, in contrast to other well-lit buildings along the river.

The new scheme has been designed so that the floodlights are close to the base of the wall. By casting light upwards at a shallow angle the nuisance from light spilling into rooms is greatly reduced and the effect is to highlight the modelling of the stonework. The lamps themselves are highly energy efficient, so the electricity cost of the new scheme is some 30 per cent. less than before.

NORTHERN IRELAND

Fog Lights

Mr. Beggs: To ask the Secretary of State for Northern Ireland how many motorists in Northern Ireland have *(a)* been given a fixed penalty notice and *(b)* been prosecuted for the unlawful use of fog lights in each of the last five years. [60990]

Mr. Ingram: The computerised records system does not permit a breakdown by particular offence. To provide the information requested would require a manual check of all records over each of the years in question and would incur a disproportionate cost.

HOME DEPARTMENT

Medway Secure Training Centre

Mrs. Ellman: To ask the Secretary of State for the Home Department how many trainees are currently held at Medway Secure Training Centre; and if he will make a statement. [61711]

Mr. Boateng: As of today, there are 36 trainees at Medway Secure Training Centre. This is fewer than the maximum of 40 trainees who may be held there because I have asked Rebound ECD, the contractors for Medway Secure Training Centre, to put in place a programme of work, including refurbishment, to address difficulties that have been experienced at the centre so as to ensure the high standard of care, control, education and training required by the contract. While this programme of work

is being taken forward, the number of trainees held at Medway will be reduced on a temporary basis to 25 to help facilitate this work. Other trainees will be placed in local authority secure accommodation. The Government are committed to ensuring that secure provision for those young people whose offending is so serious or persistent as to require a period in a secure environment is of good quality, positive and constructive in tackling offending behaviour. We are working closely with Rebound ECD to achieve that. We are monitoring the situation at Medway closely and will continue to do so.

Commercial Dog Facilities

Charlotte Atkins: To ask the Secretary of State for the Home Department when he will announce the results of the audit of commercial dog facilities that was announced in July 1997. [61712]

Mr. George Howarth: We have today laid before Parliament a report by the Animals (Scientific Procedures) Inspectorate. Copies are available in the Library. This makes a number of recommendations for best-practice in dog facilities. I have asked the Inspectorate to ensure that these recommendations are implemented, as far as is practicable, in all establishments.

The recommendations will be incorporated into the Codes of Practice for the Housing and Care of Animals—published under section 21 of the Animals (Scientific Procedures) Act 1986—when the Codes are next revised.

Animal Procedures Committee

Mr. Peter Bradley: To ask the Secretary of State for the Home Department when he will publish the annual report of the Animal Procedures Committee and the Committee's report on its review of the Animals (Scientific Procedures) Act 1986; and if he will make further appointments to the Committee. [61713]

Mr. George Howarth: We have today laid before Parliament the Committee's annual report. Copies are available in the Library. The report contains, at appendix F, a further report by the Committee on its review of the operation of the Animals (Scientific Procedures) Act 1986.

I welcome the Committee's report and the agenda of work it has identified for itself during the review. I particularly endorse the Committee's conclusion that it should be more open and pro-active, and that its independent role needs to be emphasised. I have already agreed to provide a dedicated secretariat for the Committee to support this way of working and to help ensure that the Committee can continue to carry out its work in an efficient and effective manner.

I am pleased to announce that nine new members are being appointed to the Committee with effect from 1 December 1998. In making these appointments, I am strengthening further the animal welfare expertise on the Committee and also bolstering the scientific expertise needed by the Committee in examining the areas it has set itself, including ethical considerations, biotechnology, use of primates and animal welfare.

The new appointees are:

Professor Christopher Atterwill—Head of Preclinical Drug Safety Department, Roche Products Limited.

Mr. Mike Baker—Chief Executive, British Union for the Abolition of Vivisection.

Professor Donald Broom—Professor of Animal Welfare, University of Cambridge.

Professor Grahame Bulfield—Director and Chief Executive, Roslin Institute.

Professor Stephen Clarke—Professor of Philosophy, University of Liverpool.

Dr. Alan Holland—Senior Lecturer in Philosophy, University of Lancaster.

Dr. Colin Johnston—Associate Head of Research, Department of Medicine, Queen's University, Belfast.

Professor Alan McNeilly—Deputy Director, Medical Research Council Reproductive Biology Unit.

Professor Genevra Richardson—Professor of Public Law, Queen Mary and Westfield College, University of London.

In publicly announcing the Committee's annual report, its review and the appointment of new members, I expect to outline other developments: the results of an audit of dog facilities and the intention of the Home Office to liaise with major grant-awarding bodies. These developments follow my recent announcement of an end to testing of cosmetics on animals in the United Kingdom.

Written Answers to Questions

Friday 27 November 1998

INTERNATIONAL DEVELOPMENT

Ministerial Travel

Mr. Maples: To ask the Secretary of State for International Development what was the cost to her Department of travel by Ministers in her Department by (i) RAF and (ii) privately chartered aircraft *(a)* in the year to 1 May 1997 and *(b)* since 1 May 1997. [60893]

Clare Short: I refer to the answer given by my hon. Friend the Under-Secretary, on 19 November 1998, *Official Report*, column *71C*.

CULTURE, MEDIA AND SPORT

New Opportunities Fund

Charlotte Atkins: To ask the Secretary of State for Culture, Media and Sport what plans he has to consult on the new set of initiatives in health, education and the environment to be funded by the National Lottery through the New Opportunities Fund. [61785]

Mr. Chris Smith: Today I have published and laid before Parliament a consultation document, 'New Links for the Lottery'. Copies are widely available from my Department and through The Stationery Office.

I believe that the Lottery's long-term success depends on retaining and reinforcing public confidence in its power to address the issues that most concern people across the UK. The initiatives we are proposing—cancer prevention, detection, treatment and care; green spaces and sustainable communities; and community access to lifelong learning—demonstrate our commitment to see the benefits of Lottery money more widely spread. The document also contains proposals to increase the number of summer school places for school children, to increase the benefits to people with disabilities and to build on the contribution the Lottery can make to volunteering and community involvement. I believe that our proposals will receive widespread support, and I look forward to receiving views on how best to take them forward.

ATTORNEY-GENERAL

Royal Hospital, Haslar

Mr. Viggers: To ask the Attorney-General for what reasons he decided that it was not in the public interest to prosecute following an investigation into the circumstances of the disposal of clinical waste at Royal Hospital, Haslar. [61031]

The Solicitor-General: The investigation by the Ministry of Defence police to which the hon. Member refers commenced with the arrest and initial interviews of 2 suspects on 15 April 1997. Following further inquiries, they were charged on 1 December 1997 with offences of corruption and bailed to appear at Fareham Magistrates Court on 2 February 1998. However, the case had not been fully prepared for committal by the time of a hearing on 18 June 1998 and the court discharged the 2 defendants.

On 10 September 1998 my office received from the Crown Prosecution Service a request for consent to proceed against the two defendants for offences under Section 1 of the Prevention of Corruption Act 1906; a case may not proceed beyond committal until such consent has been given.

In considering the application, I was mindful of the history of the case. I weighed the seriousness of the alleged offences (including the loss alleged to have been suffered by the Ministry of Defence and the alleged benefits to the defendants) against the fact that the defendants had already faced court proceedings stretching over some 7 months. Almost 3 months further had elapsed. I formed a provisional view that the circumstances were not such as to justify the institution of a further prosecution. I caused inquiries to be made to ascertain what, if any, disciplinary action had been taken against the Ministry of Defence employee involved. I learned that he had been dismissed. I therefore declined to consent.

PRIME MINISTER

Ministerial Travel

Mr. Maples: To ask the Prime Minister if drafts of the answers given to the hon. Member for Stratford-on-Avon by various departments on 19 November in respect of ministerial travel, were seen by anyone in his Office before publication. [60910]

The Prime Minister: In line with the practice of successive Administrations, this Government seek to secure proper co-ordination where identical questions are tabled to a number of Departments, including my Office.

Mr. Maples: To ask the Prime Minister (1) what was the cost to his Office of travel in aircraft (i) belonging to the RAF and (ii) privately chartered *(a)* in the year to 1 May 1997 and *(b)* since 1 May 1997; [60902]

(2) by what means he returned from Toulouse to London in August. [60901]

The Prime Minister: I refer the hon. Member to the answer I gave him on 19 November 1998, *Official Report*, columns *742–46*.

Mr. Maples: To ask the Prime Minister (1) if he will list the people who accompanied him on the flight he made in September from Lyneham to Highgrove: what was the cost of the flight; and by what means they then returned to London; [60899]

(2) what form his bilateral discussions took in *(a)* Bologna in August and *(b)* Toulouse in August; and how many officials attended each with him. [60900]

The Prime Minister: I refer the hon. Member to the Answer I gave him on 19 November 1998, *Official Report*, columns *742–46*. All relevant information concerning flights was provided in that Answer.

In line with the practice adopted by the previous Administration appropriate officials and security personnel accompanied me for each meeting. In addition to my bilateral with Mr. Jospin, I also undertook an official visit to the Airbus facility in Toulouse.

My discussions with Mr. Jospin and Mr. Prodi, like all discussions between heads of Government, were on the basis that they would remain private.

European Parliament

Mr. Wigley: To ask the Prime Minister if he will make a statement on the electoral system to be used for elections for the European Parliament in June 1999. [61047]

The Prime Minister: As my right hon. Friend the President of the Council made clear on 26 November 1998, *Official Report*, column 315, the Government are re-introducing the European (Parliamentary Elections) Bill. This would establish a proportional representation system for the European parliamentary elections as promised in our Manifesto.

TREASURY

VAT (Registration)

Mr. Cotter: To ask the Chancellor of the Exchequer what estimate he has made of the net annual gain to the Exchequer consequent on lowering the threshold for compulsory VAT registration to *(a)* £40,000 per annum and *(b)* £30,000 per annum. [61168]

Dawn Primarolo: No estimate of the net annual gain to the Exchequer consequent on lowering the threshold for compulsory VAT registration for the two cases mentioned is available.

Rules on Expenditure (Harmonisation)

Mr. Maude: To ask the Chancellor of the Exchequer how many representations he has received on HM Customs and Excise's consultation paper on European harmonisation of rules on expenditure which is not eligible for full input tax deduction; and if he will make a statement. [60874]

Dawn Primarolo: So far, there have been twenty one (21) responses to the consultation paper. The closing date for comments is 11 December 1998.

VAT (Property Repairs)

Mr. Maude: To ask the Chancellor of the Exchequer if he will estimate the effect on revenue of the Edinburgh VAT and Duties Tribunal ruling (EDN/97/33) relating to VAT on work arranged by a local authority to repair property; and if this ruling will be applied to the rest of the United Kingdom. [60875]

Dawn Primarolo: Following the Tribunal decision Customs repaid over £22 million to Glasgow City Council and clarified the correct VAT treatment applicable to authorities throughout the United Kingdom.

VAT (Dried Fruit)

Mr. Maude: To ask the Chancellor of the Exchequer if he will estimate the revenue forgone as a result of HM Customs and Excise's decision not to recover VAT wrongly charged to 1 January 1999 on sweetened dried fruit. [60876]

Dawn Primarolo: On 11 September 1998, HM Customs and Excise announced the outcome of a review which clarifies the VAT liability of sweetened dried fruit. It allows suppliers who received an earlier zero-rated ruling and whose products are now properly standard-rated to apply the liability change from 1 January 1999. The revenue is estimated to be negligible.

Mr. Maude: To ask the Chancellor of the Exchequer if he will estimate the revenue which would be raised if naturally sweetened dried fruit with no sweetening matter were subject to VAT at the standard rate. [60879]

Dawn Primarolo: Using information on sales of dried fruit, HM Customs and Excise estimate the annual revenue which would be raised to be about £15 million.

ECOFIN

Mr. Caplin: To ask the Chancellor of the Exchequer if he will make a statement on the council meeting of the Economic and Finance Ministers of the European Union held on 23 November. [61908]

Mr. Gordon Brown: I attended the Economic and Finance Council—ECOFIN—of the European Union in Brussels on 23 November. The Economic Secretary accompanied me.

In the context of Agenda 2000, ECOFIN discussed the EC's future financial framework and in particular the stabilisation of EC spending by 2006 at its present real-terms level of around 85 billion euro. There was increasing support for this idea, which the UK supports, not least because it will help prepare the EU for enlargement. We asked that this issue be put on the table for the Vienna European Council. I made it clear that stabilisation was compatible with CAP reform.

The Council discussed reform of the Common Agricultural Policy and Own Resources issues. I made clear the UK's willingness to find a package of measures to address other states' large net contributions, whilst making it clear that, in moderating their problems, it would be unjust to make ours worse. Stabilisation of spending should form part of this package. The Presidency undertook to prepare a report of all the Agenda 2000 discussions so far, to be submitted to the European Council at Vienna.

Commissioner Van Miert presented a paper on banks providing services of general economic interest. There was a discussion during which the German delegation said it would pursue the matter bilaterally with the Commission. Commissioner Monti proposed a framework for action in financial services. I make it clear that the UK did not support all aspects of the Commission's paper but welcomed action to improve the single market in financial services. The Council decided that a Financial Services Policy Group should be established, with the personal representatives of Finance Ministers, to identify priorities in improving the Single Market in Financial Services. The Economic Secretary will represent the UK.

The Commission introduced the 1999 Employment Guidelines, and the Chairman of the Economic Policy Committee gave his Committee's opinion on the Guidelines. The Council welcomed the Guidelines and the EPC's opinion on them.

The Council discussed the 1999 EC Budget. The Presidency concluded that a number of delegations had stressed the need for budget discipline, and several countries had also expressed concern about adequate funding for structural policies.

The Council discussed measures to take forward the Sound and Efficient Management 2000 initiative. The proposed conclusions were adopted. Commissioner Gradin made a presentation describing the progress made in the Fight against Fraud in recent years. The adoption by Council of the joint guideline on inspections of Community Own Resources was blocked by Spain and is to be remitted to Coreper.

The Council discussed combating the counterfeiting of the euro. The Presidency concluded that the Monetary Committee's recommendations would be adopted as Council conclusions. The Council discussed the issue of collector coins in the euro area. The Presidency adopted the Monetary Committee's recommendations.

The Council agreed that there will be a special ECOFIN on 31 December in Brussels to fix the exchange rates of those participating in the 3rd stage of EMU.

Population Statistics

Mr. Webb: To ask the Chancellor of the Exchequer how many people aged *(a)* between 65 and 69, *(b)* between 70 and 74, *(c)* between 75 and 79 and *(d)* 80 or over years of age there are in each region within Great Britain. [61151]

Ms Hewitt: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mr. Steve Webb, dated 27 November 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your recent question asking for the number of people aged *(a)* between 65 and 69, *(b)* between 70 and 74, *(c)* between 75 and 79 and *(d)* 80 or over in each region within Great Britain.

The following table provides the information for the ages requested for each region within Great Britain. These are the mid-1997 population estimates compiled by ONS for England and Wales and by the General Register Office for Scotland, which are the most recent available.

Mid-1997 population estimates by age and region of Great Britain

Thousand

Regions	*65–69*	*70–74*	*75–79*	*80+*
Great Britain	2,569.6	2,313.2	1,859.6	2,311.9
England	2,189.3	1,974.9	1,596.1	2,004.7
North East	125.3	112.0	84.9	93.4
North West	243.2	220.6	175.8	213.7
Merseyside	68.4	57.9	45.6	56.5
Yorkshire and Humberside	225.5	206.5	164.1	202.3
East Midlands	189.7	172.4	136.9	162.5
West Midlands	243.6	216.6	172.3	199.2
South West	239.8	225.5	189.2	249.3
Eastern	242.5	217.2	176.1	219.2
London	258.8	228.9	186.2	254.6
South East	352.4	317.2	264.9	354.1
Scotland	238.3	204.9	157.4	181.5
Wales	142.1	133.4	106.1	125.7

National Debt

Mrs. Fyfe: To ask the Chancellor of the Exchequer if he will list in rank order the top five creditors to whom the United Kingdom Government are indebted. [60912]

Ms Hewitt: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mrs. Maria Fyfe, dated 27 November 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your recent parliamentary question on the UK national debt.

The ONS does not compile any information relating to the top five countries nor companies nor individuals to whom the UK is indebted. The ONS last published broad splits of "Debt of the public sector: nominal amounts outstanding" in table S1 of *Financial Statistics* in April 1998. Table S1 provides splits of public sector debt held outside the public sector in terms of sterling and foreign currency both by the private sector and the rest of the world.

The information is collected, largely by the Bank of England, by type of instrument. These instruments are the means by which central government raises money and include a wide range of instrument issues such as British Government Securities (Gilts) and National Savings. No published records are available as to the individual ownership of these. The National Debt currently stands at around £400 billion. The largest component is in the form of British Government Securities (total liability about £280 billion) of which about a half are held by UK life assurance and pension funds, and about £55 billion are held abroad. National savings are held by UK households and account for more than £60 billion. The ONS published detailed instrument information, on an international basis, in the *Maastricht First Release*, on 28 August 1998.

The Bank of England provides the ONS with the vast majority of information on the National Debt. The Bank of England *Statistical Abstract* contains information on the holdings of sterling national debt by *sector* on tables 13.3 and 13.4. The largest holdings are by the insurance and pension funds sectors. Copies of the above publications are available from the House of Commons Library.

Corporation Tax

Mr. Gibb: To ask the Chancellor of the Exchequer when he intends to implement the group payment arrangements for quarterly corporation tax payment; and how he proposes to do it. [61045]

Dawn Primarolo: We plan to have the arrangements in place first for companies with accounting periods ending on 31 December 1999, with a first quarterly instalment payment due on 14 July 1999. Details of how the arrangements will work will be published in due course.

Financial Services Authority

Mr. Gibb: To ask the Chancellor of the Exchequer how many staff have transferred from the Insurance Directorate of his Department to the Financial Services Authority. [61040]

Ms Hewitt: None. Transfer is intended to take place on 1 January 1999. It is too early to give definitive figures for the numbers of staff who will transfer.

Insurance Directorate

Mr. Gibb: To ask the Chancellor of the Exchequer how many staff in his Department were employed in the Insurance Directorate on *(a)* 31 December 1996 and *(b)* 31 December 1997. [61039]

Ms Hewitt: None, since the Insurance Directorate was until 5 January 1998 part of the Department of Trade and Industry. I understand, however, that the numbers of permanent staff in post, on a full-time equivalent basis, at 1 January 1997 and 1 January 1998 were 91.6 and 93.6 respectively.

Overseas Investments

Mr. Gibb: To ask the Chancellor of the Exchequer what estimate his Department has made of the revenue which would be raised from the abolition of the deductability of interest on overseas investments. [61042]

Dawn Primarolo: No such estimate has been made.

Ministerial Travel

Mr. Maples: To ask the Chancellor of the Exchequer if he will list the occasions since 1 May 1997 on which a Minister in his Department has used *(a)* an aircraft belonging to the RAF and *(b)* a privately chartered aircraft together with (i) details of take-off and destination points, (ii) ground waiting time, (iii) dates of departure and return, (iv) purpose of the trip, (v) cost of the trip to his Department and (vi) details of people accompanying the Minister, indicating the total costs of all such travel borne by his Department (1) since 1 May 1997 and (2) between 1 May 1996 and 1 May 1997. [60898]

Ms Hewitt: I refer the hon. Member to the answer the Chancellor of the Exchequer gave him on 19 November 1998, *Official Report*, column *849*.

EDUCATION AND EMPLOYMENT

Race Employment and Education Forum

Mr. Cotter: To ask the Secretary of State for Education and Employment when the Race Employment and Education Forum was established; and how many times it has met. [61171]

Ms Hodge: The Race Employment and Education Forum replaces the Race Relations Employment Advisory Group and was established on 23 September 1998. It has met once, on 20 October 1998.

Mr. Cotter: To ask the Secretary of State for Education and Employment what budget has been allocated to the Race Employment and Education Forum for *(a)* 1997–98 and *(b)* 1998–99. [61172]

Ms Hodge: There is no separate budget for the Race Employment and Education Forum; its costs are met from the Department's overall budget.

Mr. Cotter: To ask the Secretary of State for Education and Employment who the members of the Race Employment and Education Forum are; and what were the criteria for their appointment. [61170]

Ms Hodge: There are twenty two members of the Race Employment and Education Forum. They are:

Mr. Nadeem Ahmad, Principal Policy Officer (Racial Equality), Newcastle upon Tyne City Council; Mr. Stephen Alambritis, Head of Parliamentary Affairs, Federation of Small Businesses;

Mr. Sher Azam MBE, Bradford businessman; Mr. Wally Brown, Principal, Liverpool Community College; Ms Andrea Callender, Campaign Director, Race for Opportunity; Mr. John Cridland Director of Human Resources Policy, Confederation of British Industry; Ms Sandy Finnigan Chief Executive, Careers Bradford Ltd; Mr Len Jackson, Managing Director, Pork Farm Bowyers; Miss Mei Sim Lai, Partner, Pridie Brewster Chartered Accountants; Ms Kaliani Lyle, Chief Executive, Citizens Advice Scotland; Ms Thalia Marriott, Deputy Principal, South Thames College; Ms Gloria Mills, Director of Equal Opportunities, UNISON; Professor Tariq Modood Professor of Sociology, Politics and Public Policy, University of Bristol; Sir Herman Ouseley Chairman, Commission for Racial Equality; Mr. Ambar Paul, Chief Executive, Caparo Group Ltd.;

Mr. Clyde Pile, Managing Director, Glass Processing Midlands; Mr. Mohammed Shafiq, Equal Opportunities Manager, Greater Peterborough Chamber of Commerce, Training and Enterprise;

Mr. Sanjeev Sharma, Head of Human Resources, NatWest Life Assurance Ltd.; Ms Cherry Short, Chair Cardiff and Vale Race Equality Council and CRE Commissioner; Ms Sukhvinder Stubbs, Chief Executive, Runnymede Trust; Ms Christine Taylor-Ozgen, Head of Training and Employment, Refugee Council; Professor Gajendra Verma, Professor of Education, University of Manchester.

The criteria for membership were that both professional and lay members should have practical experience and knowledge of the issues affecting ethnic minorities in the labour market, education or training, and should be geographically representative of the country at large.

Social Affairs Council

Maria Eagle: To ask the Secretary of State for Education and Employment if he will make a statement on the outcome of the EU Social Affairs Council meeting on 20 November. [61787]

Mr. Andrew Smith: I attended the Council of Employment and Social Affairs Ministers in Brussels on 20 November.

The Council discussed the Commission's draft European Employment Guidelines for 1999 and the draft Joint Report on member states' implementation of their National Employment Action Plans in 1998.

The Presidency circulated the first draft of its own revised version of the Guidelines and undertook to produce a further draft for discussion at the joint ECOFIN/Social Affairs Council on 1 December in the light of any comments by member states.

The Guidelines and Joint Report will be put to the European Council for agreement in Vienna on 11–12 December.

Access to Work Support

Mr. Burstow: To ask the Secretary of State for Education and Employment if the activities of Members

of the Scottish Parliament and the Welsh and London assemblies will constitute paid employment for the purposes of Access to Work support. [61046]

Mr. Andrew Smith: This has not yet been determined.

Teacher Induction Arrangements

Caroline Flint: To ask the Secretary of State for Education and Employment if he will make a statement on the outcome of the consultation on the new teacher induction arrangements. [61786]

Mr. Charles Clarke: We received 569 responses to the consultation document from schools, local education authorities, teacher training institutions, teacher unions and other professional organisations. I am pleased to announce that there was almost universal support for the introduction of a structured induction programme for new teachers along the lines we proposed. I have placed a summary of the main outcomes of the consultation in the Library.

Single Gateway

Caroline Flint: To ask the Secretary of State for Education and Employment if he will make a statement on the 12 areas to pilot the Single Work Focused Gateway. [61788]

Mr. Andrew Smith: My right hon. Friend the Secretary of State for Social Security and I have decided on twelve areas to pilot the Single Work Focused Gateway.

From June 1999, Essex South East, Warwickshire, Clyde Coast & Renfrew and Lea Roding (East London) will be the first pilot areas. From November 1999 Somerset, Buckinghamshire, Gwent Borders and Calderdale & Kirklees will test the benefits call centre technology can bring to the Gateway process. At the same time, private or voluntary sector providers will be invited to lead pilots in Suffolk, North Nottinghamshire, Leeds and North Cheshire to test out whether they can bring extra value through innovative approaches to the Gateway.

These twelve pilot areas will play a vital part in the development of a new welfare state based on rights and responsibilities—work for those who can and support for those who cannot. They will also be at the forefront of providing the excellent service to clients that we are determined to provide.

The Single Gateway marks a step change in our welfare system. Currently, our system puts clients in boxes, depending on whether they are unemployed, lone parents, carers or face illness or disability. Under the Gateway, after an initial 'registration and orientation' phase, all clients will be allocated a personal adviser. The adviser will be responsible for working with individual clients to establish their individual needs and provide them with the help they need to become independent and move towards work. Of course, for some clients—such as the recently bereaved—it may not be appropriate to have an initial focus on work. In these cases, the personal adviser will keep the case under review and contact the client at a more appropriate stage to discuss their needs. The Gateway will be the cornerstone of our philosophy for welfare reform—work for those who can, support for those who cannot.

Local authorities will be invited to work with the Employment Service and Benefits Agency to provide a seamless and responsive service to all benefit clients.

HEALTH

Acquired Brain Injuries

Mr. Burstow: To ask the Secretary of State for Health (1) what guidance his Department provides to health and social services to ensure that rehabilitation services for people with acquired brain injury are provided at a time when they are most likely to prove beneficial; [60906]

(2) if he will review the way in which services for people with acquired brain injuries are co-ordinated. [60908]

Mr. Milburn: The Department accepts the need for specialised rehabilitation services for people recovering from brain injury. It commissioned a study on the subject, the National Traumatic Brain Injury Study, which was published in April 1998. Officials are now working on the production of guidance outlining management models for the treatment of traumatic brain injury. Consultation on the guidance will take place with the National Health Service and the voluntary sector.

PRESIDENT OF THE COUNCIL

Millennium Compliance

Mr. Cotter: To ask the President of the Council what steps she has taken to establish the millennium compliance status of essential suppliers to central Government. [61135]

Mrs. Beckett: It is the responsibility of individual departments to work with their suppliers to obtain compliance information. As part of the quarterly monitoring exercise, central government departments and agencies are asked to report on the steps they have taken and progress made in establishing the millennium compliance of their essential suppliers. The individual returns from the last quarterly review were published on 9 September and are available in the libraries of the House. The returns from the next quarterly review will be published shortly.

SOCIAL SECURITY

Disability Benefits

Mrs. Fyfe: To ask the Secretary of State for Social Security if he will introduce a trigger in the benefits system to ensure that those who are not in receipt of income support at the time of disability living allowance being awarded are invited to claim income support. [60917]

Mr. Timms: There are no current plans to invite claims to Income Support (IS) when an award of Disability Living Allowance (DLA) has been made. DLA provides a contribution towards the extra costs associated with disability. When a claim to DLA is received from a

customer there is insufficient data to indicate whether the customer would be entitled to IS. However, the leaflet issued with DLA award notices contains information about other benefits, including Income Support.

Mrs. Fyfe: To ask the Secretary of State for Social Security what plans he has to means-test disability living allowance. [60918]

Mr. Timms: We have concluded and made clear in the Green Paper "New Ambitions for our Country: A New Contract For Welfare" (Cm 3805) that Disability Living Allowance and Attendance Allowance will remain universal, national benefits and as such they will not be subject to a means test.

Mrs. Fyfe: To ask the Secretary of State for Social Security what plans he has for benefits for those who are severely disabled and are older than 20 years of age. [60915]

Mr. Timms: The proposals for the reform of Severe Disablement Allowance (SDA) as set out in the Consultation Paper—"Support for Disabled People", would apply to new claims only. Existing SDA recipients aged 20 or over at the point of change would be protected and continue to receive benefit as now. Under the new arrangements, people who become severely disabled after the age of 20 would no longer be able to claim SDA.

However, around 70 per cent. of those currently receiving SDA also receive Income Support (IS) and it is likely that the same proportion would continue to qualify for IS following the introduction of the proposals. This group would, therefore, see no change to their overall level of income. Disability Living Allowance is also available to help with the additional costs of disability.

Mrs. Fyfe: To ask the Secretary of State for Social Security (1) what plans he has for the relative levels of *(a)* disability living allowance and *(b)* incapacity benefit; and what decisions he has made about the minimum level of each; [60914]

(2) what plans he has for the future level of incapacity benefit. [60888]

Mr. Timms: Disability Living Allowance and Incapacity Benefit are awarded where specific entitlement conditions are met. There is no relationship between the relative levels of the benefits. There are no plans to change the amounts of the benefits, but they will continue to be reviewed as part of the normal uprating process.

Mr. Webb: To ask the Secretary of State for Social Security how many current recipients of *(a)* incapacity benefit and *(b)* invalidity benefit who are aged under state pension age, are receiving occupational or personal pensions of (i) £0.01 to £9.99, (ii) £10 to £19.99, (iii) £20 to £29.99, (iv) £30 to £39.99, (v) £40 to £49.99, (vi) £50 to £59.99, (vii) £60 to £69.99 and (viii) £70 or above per week. [60922]

Mr. Timms: Information is not available in the format requested. Such information that is available is in the table.

Incapacity benefit recipients' pension income 1996–97

Thousand

£ per week	*Occupational pensions*	*Personal/other pensions*	*Total*
0.01–9.99	42	23	53
10–19.99	41	13	52
20–29.99	36	5	40
30–39.99	43	3	45
40–49.99	53	3	55
50–59.99	47	6	52
60–69.99	50	1	52
70 or more	290	4	293

Notes:

1. Incapacity Benefit replaced Sickness Benefit and Invalidity Benefit in April 1995. All existing recipients at that date became Incapacity Benefit recipients.
2. Figures include 11,000 Severe Disablement Allowance recipients.
3. Other pensions includes Widows, Trade Union and Friendly Society pensions and Annuities regulated by the Pensions Act 1995 but not purchased with tax relieved pension savings.
4. Some Incapacity Benefit recipients will receive both occupational and personal/other pensions. Aggregating occupational and other pension income causes some cases to be shifted into a different band, consequently the total in the third column is not the sum of the first two.
5. Figures include a number of former Invalidity Benefit recipients above State pension age who were able to elect to remain on benefit for up to 5 years. From April 1995 Incapacity Benefit is not payable above State pension age.
6. No existing recipient of Incapacity Benefit at the point of change will have their entitlement affected by the proposal to take some account of occupational and personal pension income above £50 a week in assessing future Incapacity Benefit claims.

Source:

1996–97 Family Resources Survey

Mrs. Fyfe: To ask the Secretary of State for Social Security what are the criteria for the award of incapacity benefit and disability living allowance; and in what circumstances a person may be awarded both. [60889]

Mr. Timms: Incapacity Benefit is a contributory benefit to help replace the income of people unable to work because of an illness or disability. It is paid to people who have the necessary National Insurance contributions and who pass the appropriate test of incapacity.

Disability Living Allowance is a non-means-tested, non-contributory benefit which can be claimed by people aged under 65 for extra care or mobility needs arising from their disability.

Both benefits may be paid if the conditions for entitlement are satisfied. Entitlement to one does not affect, and is not dependent on, entitlement to the other.

Mrs. Fyfe: To ask the Secretary of State for Social Security if carers who have not made national insurance contributions in the recent past will be refused incapacity benefit, but will be eligible for disability living allowance. [60913]

Mr. Timms: Carers currently have to pay a minimum amount of National Insurance contributions at some point prior to the claim, in order to qualify for Incapacity Benefit. This will continue to be the case in the future. However, as we made clear in our consultation paper "A New Contract for Welfare: Support for Disabled People" we are planning to modify the proposed new contribution test so that carers who received Invalid Care Allowance

are not disadvantaged because they were unable to pay contributions due to their caring responsibilities in one of the two tax years before the claim.

In addition, disabled carers will continue to be eligible for Disability Living Allowance if they meet the conditions of entitlement for that benefit.

Pensions

Mr. Webb: To ask the Secretary of State for Social Security if he will estimate the value of the basic state pension for *(a)* someone of minimum state pension age and *(b)* someone aged 80 years as a percentage of average earnings in (i) 1980 and (ii) 1998; and if he will provide corresponding estimates for (1) all other EU countries, (2) all non-EU G7 countries and (3) other OECD nations for which similar figures are available. [60923]

Mr. Denham: The information on the value of the UK pension as percentage of average earnings is in the tables. Information on other countries is not available in the format requested and could be obtained only at disproportionate cost.

Year	*Basic pension at April (£)*	*Average Earnings at April (£)*	*Basic pension as a percentage of average earnings (%)*
1980			
Minimum pension age	23.30	109.50	21.3
Recipient aged 80	23.55	109.50	21.5
1998			
Minimum pension age	64.70	384.50	16.8
Recipient aged 80	64.95	384.50	16.9

Note:
The average earnings of full time employees was calculated using the New Earnings Survey produced by the Office for National Statistics

Attendance Allowance

Mr. Burstow: To ask the Secretary of State for Social Security if he will take steps to provide that the affirmative statutory instrument procedure is used for changes in attendance allowance. [60881]

Mr. Timms: Proposals for Attendance Allowance would follow the normal procedure to change the eligibility criteria for Social Security benefits. This allows for regulations which are subject to the negative resolution Parliamentary procedure.

Cold Weather Payments

Mr. Webb: To ask the Secretary of State for Social Security what estimate his Department has made of the extra numbers of cold weather payments which would have been paid for the winter of 1997 to 1998 if the wind chill factor had been incorporated into the measure of temperature, for each region within Great Britain. [61153]

Angela Eagle: No criterion combining wind speed and external air temperature has been prescribed on which to make such an estimate.

Pensioners (Means-tested Benefits)

Mr. Webb: To ask the Secretary of State for Social Security what estimate he has made of the amount of each means-tested benefit which is currently unclaimed by pensioners for each region within Great Britain. [61155]

Mr. Denham: The information is not available in the format requested. Such information as is available is set out in the table.

Amount of unclaimed Income Support and Council Tax Benefit by pensioners, by region, for the year

£ million

Government region	*Amount of Income Support unclaimed*	*Amount of Council Tax Benefit unclaimed*
North East	30	20
North West and Merseyside	100	50
Yorkshire and the Humber	65	35
East Midlands	40	30
West Midlands	60	40
Eastern	50	30
London	80	60
South East	85	60
South West	65	40
Wales	30	20
Scotland	55	50
Total	710	435

Notes:
1. All estimates are rounded to the nearest 5 million.
2. Due to small sample sizes across all regions, estimates for Housing Benefit are not available.
3. These figures do not take account of potential biases. The true figure may therefore be higher or lower than those quoted.

Source:
1996–97 Family Resources Survey

Mr. Webb: To ask the Secretary of State for Social Security how many pensioners are in receipt of income support and are *(a)* between 65 and 69 years of age, *(b)* between 70 and 74 years of age, *(c)* between 75 and 79 years of age and *(d)* 80 or over years of age in each region within Great Britain. [61147]

Mr. Denham: The information is in the table.

Income support claimants aged 65 and over, by region—May 1998

Thousand

Region	*All claimants*	*Aged 65–69*	*Aged 70–74*	*Aged 75–79*	*Aged 80 and over*
Great Britain	1,362	213	218	264	666
North	86	14	15	18	39
Yorkshire and Humberside	123	18	19	25	61
East Midlands	102	15	15	19	53
East Anglia	46	6	6	9	25
London and South East	360	61	57	65	178
South West	105	13	15	19	58
West Midlands	141	21	24	30	66

Income support claimants aged 65 and over, by region—May 1998

Thousand

Region	*All claimants*	*Aged 65–69*	*Aged 70–74*	*Aged 75–79*	*Aged 80 and over*
North West	181	29	30	36	85
Wales	81	12	13	17	38
Scotland	137	23	24	28	62

Notes:

1. Figures are based on a 5 per cent. sample of all cases and as such are subject to a degree of sampling error. For example, for an estimate of 10,000 the figure could lie between 9,100 and 10,900.
2. Figures do not sum due to rounding to the nearest thousand.

Mr. Webb: To ask the Secretary of State for Social Security if he will estimate the cost of raising the lower capital limit for income support for pensioner claimants from £3,000 to *(a)* the level it would have been if it has been uprated by prices since 1988, *(b)* £10,000, *(c)* £15,000 and *(d)* £20,000, assuming no upper limit in all cases. [61148]

Mr. Denham: The estimated Income Support costs in 1999–2000 are *(a)* £50 million; *(b)* £110 million; *(c)* £135 million; *(d)* £155 million.

Notes:

1. Variant *(a)* has been based upon raising the lower capital limit to £4,662. This is based upon the assumption of the £3,000 lower capital limit being uprated by the increase in the RPI between April 1988 and September 1998 (for uprating), to the nearest pound.

2. These figures are rounded to the nearest £5 million and are based upon the Department's Policy Simulation Model of income-related benefits. This model draws data from the 1995–96 Family Resources Survey, uprated to 1999–2000 levels, and calibrates results to forecast benefit caseloads consistent with the Comprehensive Spending Review forecasts.

3. Estimates relate only to Income Support costs. No assumptions has been made about how this might feasibly be aligned through the other income-related benefits.

4. For capital costings, estimates are further adjusted using May 1997 administrative data in order to bring results into line with known reported capital of benefit cases. In the absence of any other information, the same adjustments have been applied to estimated existing gainers and floaters-on. Estimates from household surveys based on reported capital holdings are subject to low levels of response and high levels of imputation. Consequently they should not be interpreted as precise point estimates, but rather as indicative of broad magnitudes.

5. Estimates do not include cases in Residential Care and Nursing Homes.

Widows' Benefits

Mr. Webb: To ask the Secretary of State for Social Security what will be the effect on the number of people dependent on means-tested benefits of his proposed reforms to widows' benefits. [60926]

Angela Eagle: Information is not available in the format requested. Such information as is available is as set out.

The increase in the numbers on each of the means tested benefits following introduction of Bereavement Allowance for women is less than 5,000 in each of the first two years. In the third year, the increase for Income Support/Income Based Jobseeker's Allowance is estimated to be 10,000, the increase for each of the other means-tested benefits is less than 5,000.

The reduction in the numbers on each of the means-tested benefits following introduction of Bereavement Allowance for men is less than 5,000 in each of the first three years.

The reduction in the numbers on each of the means tested benefits following introduction of Widowed Parents' Allowance for men is less than 5,000 in each of the first three years.

The increase in the numbers on each of the means tested benefits following introduction of the £10 disregard of Widowed Parents' Allowance is less than 5,000 in each of the first three years.

Notes:

1. Means tested benefits include Income Support, Income Based Jobseeker's Allowance, Housing Benefit, Council Tax Benefit and Working Families Tax Credit.

2. Estimates are broad orders of magnitude. They are rounded to the nearest 10,000 but are not necessarily accurate to that degree.

3. Estimates assume that a constant proportion of those affected by the proposed changes to Bereavement Benefits move on or off each of the means-tested benefits.

4. Estimates use information from the 1995–96 Family Resources Survey, the Income Support Quarterly Statistical Enquiry and forecasts from the Government Actuary's Department concerning the number of men and women affected by the proposed changes.

5. Estimates across means-tested benefits cannot be summed to provide an estimate of the total number of people affected by the changes.

Pensioner Incomes

Mr. Webb: To ask the Secretary of State for Social Security if he will estimate the number of pensioners in each region in Great Britain who have income *(a)* before housing costs and *(b)* after housing costs below half the national average. [61154]

Mr. Denham: The information is in the table.

Numbers of pensioners with below half average income, analysed by Government office region, 1995–96 and 1996–97

Government office region	*Before housing costs*	*After housing costs*
North	*100,000	140,000
North West and Merseyside	240,000	300,000
Yorkshire and the Humber	220,000	240,000
East Midlands	160,000	200,000
West Midlands	200,000	240,000
Eastern	200,000	240,000
London	180,000	320,000
South	240,000	320,000

Numbers of pensioners with below half average income, analysed by Government office region, 1995–96 and 1996–97

Government office region	Before housing costs	After housing costs
South West	220,000	260,000
Wales	*120,000	140,000
Scotland	200,000	240,000

Notes:
1. The data are from the Households Below Average Income dataset based on the Family Resources Survey (FRS).
2. The sample sizes for pensioners by region are small. The numbers given are the average of the numbers of pensioners below the contemporary thresholds in 1995–96 and 1996–97. The data marked with an asterisk are based on particularly small samples where the dataset's estimates of numbers below half average income varied significantly between the two years.
3. Figures have been rounded to the nearest 20,000 but are not necessarily accurate to that level.
4. The FRS grossing regime is designed to match population estimates by age band at national level, not at regional level.

Social Security Spending

Mr. Webb: To ask the Secretary of State for Social Security if he will estimate the proportion of growth in spending in each Parliament since 1979 which was attributed to *(a)* demographic changes, *(b)* growth in expenditure on SERPS, *(c)* discretionary policy changes and *(d)* other factors. [60924]

Mr. Denham: The information is not readily available and could be obtained only at disproportionate cost.

TRADE AND INDUSTRY

EU Industry Council

Yvette Cooper: To ask the Secretary of State for Trade and Industry if he will make a statement on the outcome of the EU Industry Council held on 16 November. [61909]

Mr. Mandelson: My noble Friend the Minister for Trade and Competitiveness in Europe represented the UK at the EU Industry Council on 16 November.

The Council agreed to tighten the rules on government aid to industry. A new Regulation will codify the existing Commission procedures for the control of state aid and it will also strengthen the ability of the Commission both to recover aid paid illegally and to undertake on-site monitoring of companies receiving state aid. The Commission agreed to publish final state aid decisions in all the languages of the *Official Journal* and to take a formal decision before compelling a company to co-operate where it refused to allow on-site monitoring. With these two amendments, all outstanding reserves were lifted. The Presidency concluded that a political agreement had been reached on the text of the Regulation while the Council awaited the opinion of the European Parliament.

This was followed by a discussion on a Commission monitoring report on aid to certain shipyards in Germany and Spain and a brief presentation by the Commission on the impact of the crisis in Korea on shipbuilding.

The Council had an open debate on the Competitiveness of European Industry. The Commission opened the debate and noted that European industry was catching up with world competition, but that worker productivity was still behind the USA and Japan. This was followed by a round table discussion on competitiveness, which included the results of four benchmarking studies and the Commission's response to the Business Environment Simplification Task Force (BEST) report.

The Council adopted conclusions on benchmarking and the competitiveness of business services. The Presidency concluded the debate by welcoming the progress on benchmarking and invited COREPER to take forward further work on this and the Commission response to the BEST Report.

A meeting with Industry Ministers from the CEEs and Cyprus began in formal session and continued over lunch. A number of applicant states made prepared statements describing the reforms they are undertaking. During the discussion, it was emphasised that applicant states needed both to complete industrial restructuring and to take on the regulatory aquis before accession. The Commission also proposed a closer working-level dialogue in eight key sectors, including coal, steel and automotive industries, which could provide analysis of the CEEs' progress. The Presidency concluded that this should be followed up and that there was a general consensus for increasing bilateral contacts and advice to the applicants.

An orientation debate was held on the draft directive on late payment in commercial transactions. During this debate, all member states expressed support for the objective of the proposal, but had concerns on the degree of harmonisation of other aspects of national civil law. The Presidency concluded that discussions should be continued at official level with a view to reaching a Common Position as soon as possible. The Council also adopted Conclusions on the restructuring of the steel industry and the competitiveness of the recycling industry.

The Commission gave presentations on the Ottawa Conference on Electronic Commerce, the 10th Monitoring Report on the control of aid to the Steel Industry, the 27th Annual Report on Competition Policy, the Observatory for Textiles and Clothing and Delocalisation.

EU Internal Market Council

Yvette Cooper: To ask the Secretary of State for Trade and Industry if he will make a statement on the outcome of the EU Internal Market Council on 9 November. [61910]

Mr. Mandelson: My noble Friend the Minister for Trade and Competitiveness in Europe represented the UK at the Internal Market Council in Brussels on 9 November.

The Council considered three elements of the Single Market Action Plan, which aims to improve the operation of the Single Market. It discussed the rolling Joint Work Programme of the three Presidencies; Member States' progress towards implementation of the Single Market Action Plan; and mutual recognition. The Commission presented the latest Single Market Scoreboard, which showed that the number of directives not yet implemented in all Member States had been cut from 26.7 per cent. last November to 14.9 per cent. currently and noted that, at 15 October, 40 actions out of 66 of the Single Market Action Plan had been completed. There was agreement that the Single Market Scoreboard should be regularly

updated to help maintain progress in building the Internal Market. The Commission gave a progress report on its work on mutual recognition of national standards.

The Commission introduced an open debate on legislative simplification with a report on the simpler Legislation for the Internal Market (SLIM) initiative. The Council expressed general support for continuing SLIM and Business Test Panels, the Commission initiative aimed at improving consultation with business on the likely impact of selected legislative proposals.

The Commission represented reports on: the Expert Committee on Commercial Communications, which is addressing trade barriers in the field of advertising, Public Procurement; a proposal for a directive which aims to set noise limits for tyres; the Euro-Mediterranean partnership and the Single Market; the intervention mechanism aimed at removing obstacles to the Free Movement; the intervention mechanism aimed at removing obstacles to the Free Movement of Goods; and Units of Measurements (Supplementary Indications), with the Commission announcing its intention to extend dual metric-imperial marketing for a further ten years.

The Council reached political agreement on a measure on cableways, which harmonises safety aspect of cableways installations, and on the fee arrangements structure for the European Medicine Evaluation Agency (by a qualified majority with UK and Germany maintaining scrutiny reserves).

The Council also briefly discussed the draft chocolate directive and agreed to reconsider the dossier after further work by the Commission.

Over lunch, Ministers discussed the issue of economic reform and organisation of Council business.

EU Funding (Documents)

Mrs. Browning: To ask the Secretary of State for Trade and Industry when he will release documents to the solicitors of C. A. Barnes and Partners of Morebath, Devon in respect of the entry for Bampton, Oakford and Tiverton in the original text of Commission decision 94/197/EC. [60909]

Mrs. Roche: The Department plans to provide documents relating to Bampton, Oakford and Tiverton to Mr. Barnes' solicitors in December.

Raw Milk

Mr. Drew: To ask the Secretary of State for Trade and Industry when he expects the MMC report into the Supply of Raw Milk to be published; and if he will list all those *(a)* who have given evidence and *(b)* who are due to give evidence to the MMC inquiry. [61032]

Dr. Howells: The Monopolies and Mergers Commission (MMC) is due to deliver its report on the supply of raw milk in Great Britain to the Secretary of State for Trade and Industry by 26 January 1999. The report will be published as soon as practicable after that date. The Department has an administrative (non-statutory) target to publish monopoly reports within 10 weeks of receipt of the report by the Secretary of State from the MMC.

It is the practice of the MMC to list in the published report those parties which have given evidence in the course of the inquiry. It is for the MMC to decide what factors they will take into consideration in the course of their inquiry, and which parties should be asked to give evidence to the inquiry, within the terms of the reference. However, anyone wishing to make their views known to the MMC should write to:

The Reference Secretary (Milk), Monopolies and Mergers Commission, New Court, Carey Street, London WC2A 2JT.

Mr. Drew: To ask the Secretary of State for Trade and Industry what are the terms of reference of the MMC inquiry into the supply of raw milk. [61033]

Dr. Howells: The Director General of Fair Trading (DGFT) asked the Monopolies and Mergers Commission (MMC) to investigate the supply of raw milk in Great Britain on 27 January 1998, under the monopoly provisions of the Fair Trading Act 1973. The full terms of reference were attached to the DGFT's press notice announcing the referral and I am arranging for a copy to be placed in the Library of the House.

On 14 September 1998, I announced that I had agreed to a request by the MMC for an extension until 26 January of the time allowed for the inquiry. I am arranging for a copy of that press notice to be placed in the Library of the House.

AGRICULTURE, FISHERIES AND FOOD

Intervention Board

Mr. David Taylor: To ask the Minister of Agriculture, Fisheries and Food when he expects to publish the Annual report and Accounts 1996–97 for the Intervention Board Executive Agency. [61789]

Mr. Nick Brown: I am pleased to advise that the Annual Report and Accounts 1996–97 has been published and copies have been placed in the Libraries of the House.

DEFENCE

Military Uniforms

Mr. Key: To ask the Secretary of State for Defence what instructions have been issued by *(a)* ministers and *(b)* the chain of command regarding the change of policy on the wearing of military uniforms in public; and if he will make a statement. [60975]

Mr. Doug Henderson: Following the announcement to the House by my right hon. Friend the Secretary of State for Defence on 19 October 1998, *Official Report*, columns *968–69*, of the adoption of a more open approach to the wearing of uniform in public, the single-Service Chiefs of Staff each issued guidelines to their respective service. The new guidelines came into force on 1 November 1998 for mainland Great Britain and have since been extended to include those serving abroad, taking due account of local security situations.

The guidelines allow personnel to wear uniform subject to the following caveats:

a. Personnel will not be compelled to wear uniform, other than on duty should they wish to protect their anonymity.

b. Mixed civilian and military clothing is not permitted except to cover up from residence to place of duty using private transport, when an individual or individual's family wish to protect anonymity.

c. The single Services will decide on the forms of uniform that are permissible in public.

d. For practical reasons, civilian clothes will continue to be worn by military staff in selected MOD buildings.

e. Personnel may not wear uniform when representing a third party.

f. Personnel may not consume alcohol, or visit places of entertainment, in uniform, other than on duty.

It is our intention that the adoption of a more open approach to the wearing of uniform in public will increase the visibility of Service personnel in society and enhance the public awareness of Armed Forces.

Kosovo

Mr. Key: To ask the Secretary of State for Defence when the decision was taken under Article J.4.2 of the Maastricht Treaty to use the Western European Union satellite centre in Spain to contribute to monitoring the situation in Kosovo; what will be the cost; and if he will make a statement. [60976]

Mr. Doug Henderson: The WEU Council decided on 25 November 1998 to task its Satellite Centre to carry out general security surveillance of the Kosovo region in accordance with a request under Article J.4.2. of the Treaty on European Union adopted by the EU Council on 13 November. Funding of this operation until the end of the calendar year will be met from the existing WEU Satellite Centre budget. A full cost estimate is not yet available.

NATO Meeting (Virginia)

Mr. Key: To ask the Secretary of State for Defence if he will list the British representatives who *(a)* attended and *(b)* gave presentations at the NATO meeting in Norfolk, Virginia, on 12 and 13 November; what was discussed; and if he will make a statement. [60977]

Mr. Doug Henderson: The British representatives who attended the meeting in Norfolk were: Mr. Jon Day, Director of Defence Policy, United Kingdom Ministry of Defence; Brigadier Richard Baly, Military Attaché, British Embassy Washington; and Mr. William Shapcott, First Secretary, British Embassy Washington. Mr. Day gave a presentation on the United Kingdom's Strategic Defence Review. The focus of the conference was on improving interoperability between NATO Allies as part of the preparation for the Washington Summit in April 1999.

FOREIGN AND COMMONWEALTH AFFAIRS

European Arms Agency

Mr. Key: To ask the Secretary of State for Foreign and Commonwealth Affairs what are the terms of the agreement he made at the WEU ministerial council in Rome on 16 November to create a European arms agency; if he will list the countries involved; and if he will make a statement. [60979]

Mr. Tony Lloyd: The Rome WEU Council adopted the conclusions of the Western European Armaments Group (WEAG).

The Defence Ministers of WEAG reaffirmed their intention to create a European Armaments Agency (EAA). They agreed that WEAG's recently developed Masterplan should serve as the basis for further development of the EAA.

WEAG membership comprises: Belgium, France, Germany, Greece, Italy, Luxembourg, Netherlands, Portugal, Spain, UK, Iceland, Norway and Turkey.

I have arranged for the conclusions of the WEAG meeting and of the Masterplan to be placed in the library.

Armaments Exports

Mr. Wilkinson: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the timing and contents of his Department's first annual accounting report of British armaments exports. [61030]

Mr. Tony Lloyd: As to timing, we will publish the Government's first annual report on strategic export controls as soon as is possible. As to its contents, I refer the hon. Member to the answer I gave to my hon. Friend the Member for Birmingham, Selly Oak (Dr. Jones), on 14 July 1998, *Official Report*, column *149*.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Rural Policies

Mr. Peter Bradley: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the Government's policies for rural areas in England. [61622]

Mr. Prescott: When I announced the Urban White Paper on 20 October 1998, *Official Report*, column 1064, I said I would be making an announcement shortly about our policies for rural areas.

We have introduced a range of new policies to implement our commitment to sustainable development and to foster a modern, inclusive society with fairness and opportunity for all. Rural communities are an integral part of our vision with the whole country and are already benefiting from our new approach. Our manifesto pledges on education, health, crime and the economy apply just as much to rural areas as to urban. Rural areas have many distinctive features and needs. In our Manifesto, we pledged to recognise these special needs and to stop the decline in rural public and transport services, give greater protection to wildlife, and give greater freedom for people to explore our open countryside.

Already we have taken action to support these pledges. We have given an extra £50 million a year to rural transport; given greater protection to the countryside by

increasing the target for housing development on brownfield sites; and announced our decision to bring together the Rural Development Commission and Countryside Commission to create the new Countryside Agency to champion rural England and the English countryside. As a result of the Comprehensive Spending Review, expenditure on DETR countryside programmes will increase very significantly—from £128 million this year to £174 million in 2001–02. We are committed to restoring confidence in the farming industry and have just announced an additional aid package for the UK livestock sector that will be worth some £120 million. We have also secured the lifting of the ban on beef exports. At a regional level, the new Regional Development Agencies will bring a more strategic approach to regional development taking full account of their rural areas.

As our range of new policies bear fruit, we are determined to ensure that they come together in a holistic way to fit rural circumstances. Our vision is of a living, working, accessible and sustainable countryside, with thriving rural communities where public services are properly supported, which is contributing fully to the life and economy of the nation, and where the natural and cultural heritage is conserved and enhanced for everyone to enjoy.

We now propose to set out more details of our vision, and what we are doing to achieve it in a White Paper on rural England. My right hon. Friend the Minister of Agriculture, Fisheries and Food and I have therefore agreed that preparation of this new White Paper will be led jointly by our two Departments. We will also be working closely with colleagues in many other Departments to ensure that Government activity across the board is tailored and integrated to reflect rural circumstances and the distinctive contribution that rural areas make to all our lives. We will be involving the Countryside Agency and the Regional Development Agencies in drawing up the White Paper.

The White Paper will explore how our policies on matters such as the economy, health, transport, education, housing, crime, agriculture, energy efficiency and planning will support sustainable rural communities and how rural areas can contribute to the fulfilment of the government's objectives in these matters, and give rural people the opportunity to participate fully in our society. It will examine the way we are conserving and enhancing the countryside as a resource and amenity for all to appreciate and enjoy. Most importantly, it will consider how our overall environmental, social and economic objectives will be integrated in rural areas.

The White Paper will assess what more needs to be done by government, other organisation and individuals. We are determined to ensure that the links between towns, cities and rural areas are properly considered. Work on the Rural White Paper will complement that on the Urban White Paper.

There has already been much debate about the countryside. We will continue to listen to views and engage in discussions as we prepare the White Paper. I am sure many organisations and people will wish to contribute.

Rural England is a precious national resource for everyone. Our White Paper will set out a positive new strategy for the future.

Coach Services

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what discussions he had with National Express prior to their announcement of the withdrawal of a number of long-distance services. [61443]

Ms Glenda Jackson: None.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what steps he will take to ensure the continued operation of a minimum network of long-distance coach routes. [61442]

Ms Glenda Jackson: We have no present plans to change the current arrangements under which the provision of long-distance coach services is a matter for coach operators, in the light of customer demand.

Bus Industry

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will introduce a regulatory framework and a regulator for the bus industry. [61441]

Ms Glenda Jackson: Our proposals for enhancements to the existing regulatory framework for the bus industry were set out in the White Paper *'A New Deal For Transport'*.

Rail Franchises

Mr. Burstow: To ask the Secretary of State for the Environment, Transport and the Regions if he will set out for each of the current rail franchises *(a)* how many Mark 1 trains are currently in use, *(b)* what the franchise agreement for each train-operating company originally stated as the replacement date for Mark 1 trains and *(c)* what revisions have been agreed to the original replacement date. [60907]

Ms Glenda Jackson: The latest information available in terms of rail vehicles is as follows. Where franchises have committed to replacement of Mark 1 stock none of the original replacement dates has been revised.

Operator	*Number of Mark 1 vehicles*	*Franchise commitments for replacement*
Connex South Eastern	583	Class 411 stock by September 2000 Class 423 by 2005 and 421 by 2006; all with new build
Connex South Central	602	—
South West Trains	429	—
North Western Trains	75	All with 70 new vehicles by March 2000
Anglia Railways	[1] 1	—
Northern Spirit	63	Class 308 (i.e. all) by December 2000
ScotRail	189	—

[1] On short term lease expiring in 1999

Ministerial Travel

Mr. Maples: To ask the Secretary of State for the Environment, Transport and the Regions if he will list commercial charter flights used by himself or his Ministers since 1 May 1997. [60897]

Ms Glenda Jackson: Ministers in this Department have not used any commercial charter flights since 1 May 1997.

Mr. Maples: To ask the Secretary of State for the Environment, Transport and the Regions (1) following his flight to Blackpool on 26 September, what engagements he undertook while in the Blackpool area; [60896]

(2) what has been the cost to his Department of travel by Ministers in his Department in (i) RAF and (ii) privately chartered aircraft *(a)* in the year to 1 May 1997 and *(b)* since 1 May 1997. [60894]

Ms Glenda Jackson: I refer the hon. Member to the answer I gave to him on 19 November 1998, *Official Report*, columns *838–39*.

Mr. Maples: To ask the Secretary of State for the Environment, Transport and the Regions where the flight by a Minister in his Department in an RAF aircraft on 3 May 1997 began and ended; and who were the two people accompanying the Minister. [60895]

Ms Glenda Jackson: I refer the hon. Member to the answer I gave him on 19 November 1998, *Official Report*, columns *838–39*.

The RAF helicopter flight began at Wembley and ended at Kensington Palace. It was the only means by which my right hon. Friend the Deputy Prime Minister could travel from Wembley, where he was presenting the Rugby League Challenge Cup in his capacity as Deputy Prime Minister, to Kensington Palace in time to attend the Privy Council meeting to receive his Seals of Office. He was accompanied by my right hon. Friend the Chief Whip and two members of his family.

Millennium Dome (Transport)

Mr. Ottaway: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will list the members of the task force which is preparing contingency plans for transport to the Millennium Dome; [60884]

(2) what is the remit for the task force preparing contingency plans for transport to the Dome; [60886]

(3) on what dates the task force preparing contingency plans for transport to the Dome *(a)* has already met and *(b)* will be meeting; [60885]

(4) when he expects the task force preparing contingency plans for transport to the Dome to have completed its task. [60887]

Ms Glenda Jackson: I have, through my Millennium Access Co-ordination Group, asked London Underground Limited to lead the production of contingency plans for transport to the Millennium Dome. Their remit is to prepare contingency arrangements to manage problems on any of the main transport links to the Dome site.

This work is being undertaken through a working group which involves the following organisations:

Association of London Government (ALG),

Association of Train Operating Companies,

British Transport Police,

Connex South Eastern,

Docklands Light Railway Limited,

Government Office for London,

Great Eastern Railway,

Highways Agency,

London Borough of Greenwich,

London River Services Limited,

London Transport Buses,

New Millennium Experience Company,

Silverlink Trains Limited, and

Traffic Director for London.

It was recently expanded to include the ALG, the Borough of Greenwich and the Traffic Director.

The working group has met four times and the fifth meeting is on 30 November. London Underground Limited have also held a number of separate workshops with individual members. Further sessions will be held over the coming months as the plans are developed in more detail.

It is expected that the contingency will be ready to be called upon from Autumn 1999 onwards.

Mr. Ottaway: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the expected number of passengers who will travel (i) to the Dome and (ii) from the Dome via (1) Charing Cross, (2) Euston, (3) King's Cross, (4) London Bridge Station, (5) Waterloo International Station, (6) Stratford Station, (7) Liverpool Street Station, (8) Canning Town Station and (9) City Airport, on London Underground *(a)* Monday to Friday and *(b)* at weekends during 2000. [61144]

Ms Glenda Jackson: I am advised by London Underground Limited that this information is not available and could be provided only at disproportionate cost.

Mr. Ottaway: To ask the Secretary of State for the Environment, Transport and the Regions how many (i) eastbound and (ii) westbound underground trains will pass through North Greenwich station per hour on *(a)* Monday to Friday and *(b)* weekends in the year 2000. [61137]

Ms Glenda Jackson: The signalling capacity available by the year 2000 will be 24 trains per hour in each direction. The number of trains run will depend on demand. I understand that London Underground are currently working on the timetable based on projected demand. Details will be made available to the public in advance of line opening.

Mr. Ottaway: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the expected number of passengers per hour *(a)* Monday to Friday and *(b)* at weekends who will use the Jubilee Line extension to travel (i) to and (ii) from the Dome. [61138]

Ms Glenda Jackson: London Underground's current projected figures for the numbers of passengers who will use the Jubilee line extension to travel to and from the Dome, based on a peak day (which could be any day of the week) are as follows:

Hour	*Arriving at Dome*	*Leaving Dome*
0800	570	—
0900	3,990	—
1000	9,690	—
1100	5,130	—
1200	570	—
1300	—	570
1400	—	1,710
1500	—	2,280
1600	2,850	3,420
1700	5,130	4,560
1800	2,280	2,850
1900	1,140	2,280
2000	—	2,280
2100	—	1,710
2200	—	2,280
2300	—	6,270
0000	—	1,140
Totals	31,350	31,350

Mr. Ottaway: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the expected times of first and last trains on the Jubilee line extension on *(a)* Monday to Friday and *(b)* at weekends at North Greenwich Underground station (i) eastbound and (ii) westbound in the year 2000. [61136]

Ms Glenda Jackson: I understand that specific times are not yet available, but that London Underground are currently working on the timetable. Details will be made available to the public in advance of the line opening. First and last train times will be similar to those already in operation on the Jubilee Line and elsewhere on the Underground network (i.e. between approximately 0500hrs and 0045hrs, with slightly later opening times on Sundays).

Jubilee Line Extension

Mr. Ottaway: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the expected date for opening to the public of each underground station on the Jubilee line extension. [61140]

Ms Glenda Jackson: London Transport, following advice from Bechtel (the international company appointed to oversee the run up to line opening) plan to open the Jubilee Line Extension in three phases, beginning at the eastern end of the line.

London Transport plan to open phase one, between Stratford and North Greenwich, in late Spring 1999. This section includes four stations: Stratford, West Ham, Canning Town and North Greenwich. Phase two is planned for late Summer 1999. This section includes six stations: Canary Wharf, Canada Water, Bermondsey, London Bridge, Southwark and Waterloo. The third and final phase, to complete the extended line by linking Westminster station with the existing line at Green Park, is planned for late Autumn 1999.

Mr. Ottaway: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the expected daily opening and closing times of Underground stations on the Jubilee Line Extension in the year 2000. [61139]

Ms Glenda Jackson: Underground station opening times are a matter for London Underground Limited. I understand that Jubilee Line Extension stations will open and close in line with the vast majority of stations elsewhere on the Underground network. On that basis, stations will open between approximately 0500hrs and 0045hrs. Opening times are slightly later on Sundays.

Northern Line

Mr. Ottaway: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the difficulties which are delaying the introduction of new trains into service on the Northern Line, stating the date when each one is expected to be resolved. [60890]

Ms Glenda Jackson: This information is not available in the form requested. As I said in my answer to the hon. Member for Chipping Barnet (Sir S. Chapman) of 17 November 1998, *Official Report*, columns *744–45*, the delivery of new trains was delayed by more than a year. This was due to design changes specified by London Underground and production problems at ALSTOM's train-building plant.

There have been a number of other problems including the computer software on trains, a delay in delivering the train simulator (and subsequent delays to driver training) and delays in proving that all train systems, such as the CCTV link to train drivers, are operationally satisfactory and reliable. In testing and commissioning new trains, snagging problems arise on each train and are addressed on an on-going basis.

ALSTOM and London Underground are working together to introduce the trains at as fast a rate as possible, and London Underground expects that a full Northern Line service will be provided with new trains by early autumn 1999.

London Underground

Mr. Ottaway: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the percentage increase in passenger growth per annum on each London Underground line since 1990; and what the predicted increases are for (i) 1999 and (ii) 2000. [61145]

Ms Glenda Jackson: London Transport do not keep passenger numbers for the years 1992 and 1993 centrally and figures for 1997 are currently being adjusted. However, available figures are as follows:

Passenger numbers per day (in thousands)

	1991	1994	1995	(% increase on 1994)	1996	(% increase on 1995)
Bakerloo	246	250	255	(2.0)	260	(2.0)
Central	514	475	502	(5.7)	512	(2.0)
District	576	564	574	(1.8)	552	(−3.8)
East London	25	26	26	(0)	0	(−100)
Jubilee	179	170	177	(4.1)	186	(5.1)
Metropolitan, Circle, Hammersmith and City	536	535	525	(−1.9)	532	(1.3)
Northern	545	544	548	(0.7)	544	(−0.7)
Piccadilly	504	495	515	(4.0)	513	(−0.4)
Victoria	448	420	439	(4.5)	454	(3.4)
Total	3,573	3,479	3,561	(2.4)	3,553	(−0.2)

Forecast percentage increases in passenger volumes from 1998–99

	1999–2000	2000–01
Bakerloo	2.1	2.5
Central	2.1	2.7
District	1.8	1.7
Jubilee and East London	[1]8.4	[1]12.0
Metropolitan, Circle and Hammersmith & City	2.5	2.1
Northern	1.8	1.6
Piccadilly	−0.1	0.9
Victoria	0.6	1.1
Total	2.0	2.5

[1] Reflects opening of the Jubilee Line Extension

Mr. Ottaway: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will list the maximum number of passengers who can be carried by each London Underground line per day *(a)* Monday to Friday and *(b)* at weekends in 1998; [61141]

(2) if he will list the expected maximum number of passengers to be carried by each London Underground line per day *(a)* Monday to Friday and *(b)* at weekends in 1999; [61142]

(3) if he will list the expected maximum number of passengers to be carried by each London Underground line per day *(a)* Monday to Friday and *(b)* at weekends in 2000. [61143]

Ms Glenda Jackson: Such figures could be obtained only at disproportionate cost. They would depend critically on the assumptions made, especially about trip length. (For example, average trip length varies by line: if all customers were to travel just one stop more could be carried than if they all travelled several stops.)

The table gives the figures available from London Transport for the number of train kilometres planned to be run per line per annum.

Train kilometres per annum (in thousands)

	1998–99 (planned)	1990–2000 (planned)	2000–01 (planned)
Bakerloo	3,695	3,766	3,779
Central	9,244	9,605	11,878
District	9,207	9,977	10,060
East London	703	703	781
Jubilee (+ Jubilee Line Extension)	3,458	4,091 (7,654)	4,108 (7,686)
Metropolitan, Circle, Hammersmith & City	10,433	10,956	11,224
Northern	10,748	12,573	12,576
Piccadilly	12,761	12,888	13,023
Victoria	5,183	5,183	5,891
Total	65.43	73.31	76.9

Written Answers to Questions

Monday 30 November 1998

ENVIRONMENT, TRANSPORT AND THE REGIONS

Environment Agency

Mr. Flight: To ask the Secretary of State for the Environment, Transport and the Regions if he will list (i) the new duties which he plans to give the Environment Agency in England and Wales and (ii) the resources which the Government will provide to the Agency to carry them out; and if he will make a statement. [61194]

Mr. Meale: The Environment Agency will undertake new duties, shortly, under the COMAH and Groundwater Regulations. Other legislation in preparation, such as the Pollution Prevention and Control Bill and regulations on Polychlorinated Biphenyls and Terphenyls, may also place new obligations on the Agency.

In common with the Agency's other regulatory expenditure it is proposed that the annual cost of work on the (CIMAH) Control of Industrial Major Accident Hazards Regulations 1984 (£1.3m) and on the Groundwater Regulations 1998 (£3m), and the cost of other new obligations will be recovered largely through charges on those regulated. For preparatory work and other costs for which charging is not feasible the Agency may draw on its annual block allocation of grant-in-aid which will be increased to over £106 million in 1999–2000 following this year's Comprehensive Spending Review.

Special Areas of Conservation

Mr. Randall: To ask the Secretary of State for the Environment, Transport and the Regions if the list of candidate special areas of conservation proposed under the European Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora will be reviewed to take account of the new research by the World Wide Fund for Nature. [61005]

Mr. Meale: No. The list of candidate sites was selected using a rigorous, iterative scientific process which applied the Directive's site selection criteria. There has also been extensive consultation on the proposals and additions made in the light of earlier comments from WWF and others.

Service Personnel (Council Tax)

Mr. Bob Russell: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to allow service personnel to have their council tax demand waived during periods when they are posted on tours *(a)* abroad and *(b)* in Northern Ireland. [60861]

Mr. Raynsford: A person is counted towards the council tax bill at whichever dwelling is considered to be their "sole or main residence". The council tax is essentially a means of contributing towards the cost of providing a range of local services throughout a local area. These services include, for example, education, police and fire services, and highways maintenance. Whether people work in this country or abroad, it is reasonable that they should make a contribution towards the cost of local services where they maintain their sole or main residence. Members of the Armed Forces are treated in the same way as anyone else in determining sole or main residence and we do not have any plans to change this.

Cop-4 Talks

Mr. Stunell: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the Cop-4 talks held in Buenos Aires. [61010]

Mr. Prescott: I refer the hon. Member to the answers I gave to my hon. Friend the Member for Enfield, North (Ms Ryan) and to the hon. Member for West Chelmsford (Mr. Burns) on Thursday 19 November, *Official Report*, columns *837–38*.

Nuclear Waste

Mr. Stunell: To ask the Secretary of State for the Environment, Transport and the Regions what the Government's policy is on the shipment of United Kingdom nuclear waste to Australia for final disposal and storage. [61009]

Mr. Meale: I am not aware of any proposal to ship United Kingdom nuclear waste to Australia. Under the Radioactive Substances Act 1993, any such proposal would be subject to approval by the competent regulatory authorities in both countries.

Garden Hedges

Mr. Luff: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received about the growing of high hedges adjacent to the boundaries of residential property; and what policy initiatives he is planning to address the issues raised in the representations. [61663]

Mr. Meale: We have received numerous representations about the growing of hedges adjacent to the boundaries of residential property. Our current policy regarding the problems caused by such hedges was set out in my previous reply to the hon. Member on 28 October 1998, *Official Report*, columns *164–65*.

Train Arrival Times

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will publish, for each train operating company, the percentage of trains arriving at their destination more than three minutes early. [61656]

Ms Glenda Jackson: This information is not readily available. Such trains would be recorded as having arrived on time according to the definition of "punctual" for the relevant route group in the Franchising Director's performance bulletins, copies of which are in the House Library.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will publish, for each train operating company, the percentage of *(a)* London commuter trains, Gatwick Express trains and short distance ex-regional railway trains, arriving at their destination between three minutes and four minutes 59 seconds late, *(b)* ex-InterCity trains and ex-Regional Railways long distance trains arriving at their destination between five minutes and nine minutes 59 seconds late and *(c)* ScotRail sleepers arriving at their destination between 10 and 30 minutes late for the latest available period. [61657]

Ms Glenda Jackson: This information is not readily available. Such trains are recorded as having arrived on time according to the definition of "punctual" for the relevant route group in the Franchising Director's performance bulletins, copies of which are in the House Library.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will make it his policy to reduce the maximum time trains can be late whilst still being classified as punctual within the criteria set for the Passenger's Charter performance statistics. [61658]

Ms Glenda Jackson: The immediate priority is for train operators and Railtrack to improve the punctuality of services within its current, reasonable definition.

Highway Authorities (Speed Limits)

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to be able to release highway authorities from the requirement to seek his Department's approval prior to introducing 20 mph limits on roads for which they have responsibility. [60933]

Ms Glenda Jackson: I shall be introducing secondary legislation shortly in order to remove the consent requirement. I expect the new system to be in operation in the new year.

Connex South Central

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what discussions he or his Ministers held with *(a)* OPRAF and *(b)* Connex South Central before the decision was taken not to extend the latter's franchise. [61654]

Ms Glenda Jackson: None. However, as required by his Objectives, Instructions and Guidance, the Franchising Director notified the Deputy Prime Minister prior to announcing his decision not to extend Connex South Central's franchise.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions for what reasons the application by Connex South Central to extend its franchise was refused; if he is prepared to consider an amended offer from the company; and if he will make a statement. [61653]

Ms Glenda Jackson: The Franchising Director announced in July that he considered that he could obtain better value for money by competitively retendering the franchise on its expiry after seven years. The company cannot make a further offer under the option that was in their original contract. However, we have said that we are prepared in principle to consider proposals to renegotiate franchises to secure additional passenger benefits and commitments to more demanding performance targets.

Road Traffic

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will estimate *(a)* the rate of road traffic growth which could be expected to occur between 1997 and 2002 if no action was taken to reduce this and *(b)* the rate of road traffic growth which is now expected to occur following Government action to reduce road traffic growth. [60927]

Ms Glenda Jackson: The 1997 National Road Traffic Forecasts were based on previous policies. The increase in total traffic between 1997 and 2002 implicit in the 1997 central forecasts is 9 per cent.

The Department has begun working on a revised set of forecasts which will reflect the new direction for transport provided by the New Deal. This work involves developing new approaches to forecasting traffic and its environmental and economic effects. Once the Commission for Integrated Transport is established next year, it will be advising the Department on our revised forecasts. One of the first things we will be consulting the Commission on is the alternative forecasting approaches we could use. Once we have the Commission's advice on this question, we will be able to complete our plans and announce a target date for publication.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if it is his policy to set targets for reductions in traffic levels *(a)* nationally and *(b)* for particular areas; and if he will make a statement. [60928]

Ms Glenda Jackson: I refer the hon. Member to the answer I gave on 3 November 1998, *Official Report*, column *458*.

Aircraft Emissions

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the emissions of NO_x from aircraft operating within United Kingdom airspace in each year since 1980. [60930]

Ms Glenda Jackson: No such estimates are produced for the whole of United Kingdom airspace. An annual estimate is made of the NO_x produced by civil aircraft, on domestic or international flights at UK airports, during ground movements and in the landing and take-off cycle, up to 1,000 metres. This is published in the Digest of Environmental Statistics. Information from the Digest for the period 1980 to 1996 (the latest year for which figures are available) is given in the table:

NO_x Emissions 1980–1996

	Thousand tonnes
1980	10
1981	9
1982	10
1983	10
1984	11
1985	11
1986	11

NO_x Emissions 1980–1996

	Thousand tonnes
1987	12
1988	13
1989	14
1990	12
1991	14
1992	14
1993	15
1994	15
1995	16
1996	17

The UK has played a major part in securing reductions in NO_x emissions in standards set by the International Civil Aviation Organisation and will continue to do so.

National Rail Inquiries

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will publish, for each month since its inception, the average time taken by National Rail Inquiries to answer a call; and if he will make a statement. [61509]

Ms Glenda Jackson: Information on the average time taken to answer a call is not recorded by the National Rail Enquiry Scheme (NRES). NRES is required by the Rail Regulator to answer 90 per cent. of all calls and to record the percentage of calls answered within 30 seconds. The Rail Regulator monitors performance against both targets but his priority has been to ensure that NRES meets its 90 per cent. target. He is currently considering formal enforcement action following recent disappointing performance by NRES.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what recent assessment he has made of the accuracy of the information provided by National Rail Inquiries in respect of *(a)* timetable information and *(b)* price options. [61508]

Ms Glenda Jackson: Following the Rail Regulator's mystery shopping survey into accurate and impartial retailing last year, the Association of Train Operation Companies (ATOC) agreed to carry out further similar surveys. ATOC is currently carrying out surveys into the accuracy of information provided by both the National Rail Enquiry Scheme and station ticket offices. The results are expected to be published early next year.

French Nuclear Reactors

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the recent Greenpeace report on the impact on the United Kingdom of emissions from French nuclear reactors; and if he will make a statement. [60942]

Mr. Meale: My Department has not received a copy of the report referred to, but it is understood from the Greenpeace press release that it relates to computer modelling of the dispersal of aerial discharges from the La Hague nuclear reprocessing plant.

I refer the hon. Member to the answer I gave to my hon. Friend the Member for Great Grimsby (Mr. Mitchell) on Thursday 17 November 1998, *Official Report*, columns *487–88*.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what percentage of measurable radioactivity recorded in southern England is attributable to emissions from French nuclear reactors. [60943]

Mr. Meale: Measured levels of radioactivity in air, rainwater, lakes and reservoirs, and radiation levels over beaches in southern England are indistinguishable from levels of both natural origin and from atmospheric testing of nuclear weapons and the Chernobyl reactor accident. The low levels of man-made radioactivity found in marine foodstuffs and sediments sampled from the coastal waters of Southern England cannot be attributed to particular sources.

Cyclists and Pedestrians

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will introduce targets for reductions in casualties among *(a)* cyclists and *(b)* pedestrians expressed in terms of casualties per mile travelled. [60932]

Ms Glenda Jackson: On 15 October 1997 the Government announced that they will be setting new road safety targets for Great Britain for the year 2010. There will be one target figure for the reduction in road accident deaths and serious injuries, and another for slight injuries. We are still considering the details of the target.

Rail Electrification

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will list, for each EU country, the percentage of rail track operated for passenger purposes which was electrified in *(a)* 1977, *(b)* 1987 and *(c)* 1997. [61655]

Ms Glenda Jackson: The Department does not collect statistics separately for electrified passenger track. However, for the years for which statistics are available, the percentage of electrified track in each EU Member State is:

Percentage

Country	*1975*	*1987*	*1996*
Austria	46	54	60
Belgium	32	61	73
Denmark	4	8	17
Finland	7	25	35
France	27	34	45
Germany	25	34	45
Greece	0	0	0
Irish Republic	0	0	2
Italy[1]	49	57	64
Luxembourg	33	67	95
Netherlands	61	68	73
Portugal	11	14	22
Spain	27	44	56
Sweden	62	64	68
United Kingdom	20	25	30

[1] National Railways only

Sources:

International Comparisons of Transport Statistics 1970–94 (DOT)

EU Transport in Figures Statistical Pocket Book 1998 (European Commission)

Dangerous Driving

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the effectiveness of the charge of dangerous driving and the appropriateness of the criteria which must be met before such a charge can successfully be brought. [60935]

Ms Glenda Jackson: The Transport Research Laboratory is undertaking a research project to discover more about the process whereby charges are brought and prosecuted for dangerous driving, including the application of the criterion in section 2A of the Road Traffic Act 1988, or for the lesser charge of careless driving.

Shadow Strategic Rail Authority

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions for what reason the Chair of the Shadow Strategic Rail Authority will be required to work only two and a half days a week. [61652]

Ms Glenda Jackson: We have advertised this appointment of approximately 2.5 days a week because we judge this to be the right time commitment for the job of leading the British Railways Board as part of the Shadow Strategic Rail Authority and, subject to legislation, the SRA proper with its full-time Chief Executive.

Packaging Waste

Mrs. Gillan: To ask the Secretary of State for the Environment, Transport and the Regions if the current review of packaging regulations will cover the benefits for supermarkets from their back of store waste and the effects of such benefits on others in the packaging chain. [61499]

Mr. Martyn Jones: To ask the Secretary of State for the Environment, Transport and the Regions what plans his Department has to increase retailers' obligations under the packaging and waste regulations. [61636]

Mr. Meale: The review of the Producer Responsibility Obligations (Packaging Waste) Regulations 1997 covered a range of issues as set out by my right hon. Friend the Minister for the Environment (Mr. Meacher) in his answer to my hon. Friend the Member for Normanton (Mr. O'Brien) on 17 December 1997, *Official Report*, columns *193–94*.

Each of the four main sectors may have back-door waste to some extent. Those businesses that do have such waste are likely to use it towards the discharge of their obligations. Retailers are likely to have larger quantities of back-door waste than other businesses, but will incur costs in making that material available. They also carry a higher share of the burden. A share-out of the burden between industry sectors was agreed on the 15 December 1995, and that industry agreement is the basis of the present Regulations. Each sector's "activity" obligations in the regulations are:

Sector	*15 December 1995 Agreed share of the burden %*	*Activity obligation in the Regulations %*
Raw Material Manufacturer	5.5	6
Convertor	14.5	11
Packer/Filler	35	36
Sellers/Retailers	45	47

Proposed Golf Course (Buckinghamshire)

Mrs. Gillan: To ask the Secretary of State for the Environment, Transport and the Regions when he will announce the decision on the application to develop a golf course on the ancient woodland site at Penn, Buckinghamshire. [61498]

Mr. Raynsford: The Inspector's Report following his site visit is currently being considered. It is anticipated that the decision will be issued by the end of the year.

Building Regulations

Mr. Oaten: To ask the Secretary of State for the Environment, Transport and the Regions what account was taken of the accessibility of blocks of flats in the decision to extend part M of the building regulations to housing in October; and if he will make a statement. [61651]

Mr. Raynsford: The Building Regulations (Amendment) Regulations 1998 (SI 1998 No. 2561) made on 26 October 1998 modified Part M in Schedule 1 to the Building Regulations 1991 (SI 1991 No. 2768) to apply requirements on access and facilities for disabled people to the design and construction of dwellings. The definition of dwelling in the 1991 regulations includes dwelling houses and flats.

The revised Approved Document published to provide practical guidance on satisfying the amended requirements applies to all dwellings, including flats, and also includes guidance on passenger lifts and common stairs in blocks of flats.

Four Star Petrol

Mr. Laurence Robertson: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to ban the use of four star petrol. [61505]

Ms Glenda Jackson: Four star leaded petrol will be banned from general sale from 1 January 2000 under regulations currently being prepared. The regulations will allow the continuance of a very limited supply of leaded petrol for use by historic vehicles. The Department is well advanced in preparing publicity material for motorists that currently use leaded petrol and further details will be announced very shortly.

TRADE AND INDUSTRY

Flooding (Brindley Ford)

Ms Walley: To ask the Secretary of State for Trade and Industry if he will make a statement on recent flooding at Brindley Ford arising from the Coal Authority's maintenance of the nearby opencast coal site. [61191]

Mr. Battle: Following heavy rain in late October, flooding occurred at Brindley Ford to the south of the former Brownlees opencast site, part of which is owned by the Coal Authority.

The authority is currently investigating, in association with the Environment Agency, Staffordshire county council, and Stoke-on-Trent city council, the water management at the locality to identify the cause of the flooding and ways of dealing with it.

Textiles Industry

Mr. Gordon Prentice: To ask the Secretary of State for Trade and Industry what assessment he has made of the role of London Fashion Week in promoting the United Kingdom textile industry; and if he will make a statement. [61646]

Mr. Battle: My Department is one of the supporters of London Fashion Week and we therefore assess its effectiveness in promoting the UK textiles and clothing sector each time it takes place.

London Fashion Week is an important showcase for British design talent. Many of the designers whose profiles were initially raised by London Fashion Week are now working closely with UK producers of textiles and clothing, as well as with UK retailers, to provide a competitive design edge to existing ranges, and to help develop new and innovative products. London Fashion Week also plays an important role in projecting the image of British fashion and textiles world-wide.

Strategic Export Controls (White Paper)

Mr. Gareth R. Thomas: To ask the Secretary of State for Trade and Industry what were the results of the public consultation following publication of the White Paper on Strategic Export Controls; and if he will make a statement. [61814]

Mr. Mandelson: The Department has received 54 responses to the White Paper on Strategic Export Controls. I am placing copies of the responses, except two for which complete confidentiality has been requested, in the Libraries of both Houses and in the Library of the Department. I have also arranged for copies of the responses to be made available on request from the Department's Export Control Organisation.

We are currently reviewing our proposals in the light of the responses received, and will make a further announcement in due course.

CULTURE, MEDIA AND SPORT

Women's Boxing

Mr. Gordon Prentice: To ask the Secretary of State for Culture, Media and Sport what plans he has to *(a)* ban or *(b)* place restrictions on women's boxing. [61008]

Mr. Banks: The Department has no plans either to ban or to place any restrictions on women's boxing.

I appreciate the strength of feeling on this issue, but I should stress that the Government do not control boxing—or, indeed, any other sport in this country. We are, of course, keen to see that the proper medical safeguards and regulations are in place for all sports, especially those which may carry a higher level of physical contact, and believe that the sport's governing bodies should remain primarily responsible for this.

Grade II Listed Sites

Mr. Rooney: To ask the Secretary of State for Culture, Media and Sport what responsibilities attach to owners of Grade II listed sites. [61133]

Mr. Alan Howarth *[holding answer 27 November 1998]:* Grade II listed buildings form an important part of the nation's historic environment, for which we all share responsibility. The Planning (Listed Buildings and Conservation Areas) Act 1990 requires the owner of any listed building to obtain listed building consent for any works of demolition or for any works of alteration or extension which would affect its character as a building of special architectural or historic interest. The carrying out of such works without prior consent is a criminal offence.

Mr. Rooney: To ask the Secretary of State for Culture, Media and Sport what grants are available to the owners of Grade II listed sites. [61134]

Mr. Alan Howarth *[holding answer 27 November 1998]:* Grade II listed buildings in conservation areas are eligible for grant funding from English Heritage. The Heritage Lottery Fund can also provide funding for any grade of listed building provided that the application meets their assessment criteria.

Local authorities have powers to give grants for any buildings of special architectural or historic interest. They can give grants up to 50 per cent. of costs, and authorities may also make interest-free loans rather than grants, using the same criteria.

Further information on other sources of funding may be found in the Directory of Grant Making Trusts published by the Charities Aid Foundation, available from public libraries, and Funds for Historic Buildings published by the Architectural Heritage Fund, Clareville House, 26–27 Oxendon Street, London SW1Y 4EL.

New Opportunities Fund (Scotland)

Mr. Wallace: To ask the Secretary of State for Culture, Media and Sport what changes he proposes to make to the operation of the New Opportunities Fund's three operational themes in Scotland after the establishment of the Scottish Parliament; and if he will make a statement. [61029]

Mr. Banks *[holding answer 27 November 1998]:* The framework for the New Opportunities Fund's first three initiatives (healthy living centres, out of school hours activities and childcare, and ICT training for teachers and librarians) already reflects the particular circumstances in Scotland, and each initiative has a specific funding allocation which must be spent on projects in Scotland. Any further initiatives established before the creation of the Scottish Parliament will also take into account the differing needs of each part of the United Kingdom, including Scotland.

After the establishment of the Scottish Parliament, Scottish Ministers will be able to make Orders or Directions in relation to initiatives applying in Scotland only, and as appropriate make Directions in relation to the application in Scotland of UK wide initiatives, after consultation with and, where necessary, the consent of my right hon. Friend the Secretary of State. My right hon. Friend will remain responsible for Orders or Directions relating to UK wide initiatives, after consultation with Scottish Ministers. The details of these arrangements are still under consideration.

HOUSE OF COMMONS

Telephone Lines

Mr. Webb: To ask the Chairman of the Information Committee what plans he has to ensure that hon. Members have access to ISDN telephone lines. [61438]

Mr. Richard Allan: An hon. Member who has a specific communications requirement concerning his Parliamentary duties should raise the matter with the Director of Communications. The provision of communications, including ISDN, at locations outside the Parliamentary Estate is currently being considered, and the Information Committee will be discussing this in the new year.

DEFENCE

Territorial Army

Mr. Bob Russell: To ask the Secretary of State for Defence how many vacancies there were for the Territorial Army and Voluntary Reserve *(a)* in May 1997 and *(b)* at the latest date for which figures are available. [60860]

Mr. Doug Henderson: The Territorial Army establishment in May 1997 was 59,000 posts, of which 55,900 were filled. In October 1998, the latest date for which figures are available, the establishment was also 59,000 posts, of which 53,847 were filled.

Service Personnel (Electoral Roll)

Mr. Bob Russell: To ask the Secretary of State for Defence what procedures exist for service personnel to be registered on the electoral roll; and what proposals he has to increase the number of registrations. [60862]

Mr. Doug Henderson: Service personnel may vote only when they are registered as Service Voters. The Representation of the People Act 1993 obliges my Department to ensure that all eligible members of the Armed Forces and their spouses are given the opportunity and adequate assistance to register as Service voters. To register, personnel make a Service declaration to the electoral registration officer for the area in which the applicant's qualifying address is situated, and this single registration remains valid throughout a Service career. Spouses may register as either Service or civilian voters.

Queen's Regulations for all three Services contain detailed information on the timetable for submitting declarations to ensure inclusion in the register of electors for Parliamentary, European Parliament and local government elections.

Instructions on the action required to make initial Service declarations or to make new ones on any change of address are also included in the Regulations. In addition, each Service issues formal reminders annually describing the registration procedures and listing the relevant forms to be completed. The reminders draw attention in particular to the need to re-register or to amend qualifying addresses where necessary. Commanding Officers are made personally responsible for ensuring that unit administrative arrangements are efficient and that units hold sufficient forms, and are regularly formally reminded of their responsibilities.

We will continue to employ these measures to encourage Service personnel to register and to vote, but doing so is, of course, a matter of personal choice.

Soldiers (New Entrants)

Mr. Corbett: To ask the Secretary of State for Defence what financial assistance is available to new entrant soldiers who are themselves on income support, or whose parents are, towards the cost of equipment and supplies which they are required to purchase and to meet obligatory insurance costs. [60921]

Mr. Doug Henderson *[holding answer 27 November 1998]:* All new entrant soldiers are given an advance of pay, equivalent to one day's pay, when they are attested at a recruiting office, regardless of whether they, or their parents, are in receipt of income support. This advance is intended to cover the purchase of small personal items a new soldier may require. Any equipment a soldier needs to perform his or her duties is provided by the Army.

My Department places no obligation on new entrants to the Army to take out insurance cover, but applicants are advised to insure their personal belongings, and any military equipment they are issued with against loss or damage for which the holder would be held responsible. New entrants are also advised to consider the purchase of personal accident or life insurance.

Freedom of Information

Mr. Baker: To ask the Secretary of State for Defence what assessment he has made of the changes in departmental practices which would be required to comply with the planned Freedom of Information Act. [61512]

Mr. Spellar: The Ministry of Defence is already committed to greater openness in its work and currently operates in accordance with the Code of Practice on Access to Government Information. The Department's policy is that staff should take a positive approach towards the release of information. Details of MOD's policy and guidance to staff can be found on the Department's internet site at http://www.mod.uk/policy/opengovt/index.htm. Once the details of the draft FoI Bill have been finalised, instructions, advice and training will be available for staff in order to ensure that they are able to implement the Act and to foster an open culture.

SCOTLAND

Kincardine Bridge

Ms Squire: To ask the Secretary of State for Scotland when he plans to make an announcement on the replacement of the Kincardine Bridge. [61162]

Mr. Macdonald: I am announcing today my decision on a preferred line for a new crossing of the Forth in the vicinity of Kincardine. I have decided that, subject to the necessary statutory procedures, a new crossing should be built on an alignment approximately 2 kilometres upstream from the existing crossing at Kincardine. The new crossing will be used in conjunction with the existing bridge which will be refurbished. A new short Kincardine Eastern Link Road will also be constructed to link with the existing bridge and divert traffic travelling to and from Fife away from the centre of Kincardine village. My decision has taken full account of the five criteria—economy, environmental impact, safety, accessibility and integration—which the Government use to appraise trunk road investment. The sensitive ecology of the Forth Estuary meant that environmental considerations were particularly important. I am aware that the new crossing will potentially have an adverse visual impact on the village of Airth and every effort will be made to mitigate this.

My decision means that the further preparatory work which is required before construction can begin can now be commissioned and the Comprehensive Spending Review has provided resources for this. I am not able, at this stage, to give a firm indication of when construction will begin. The time needed to complete the preparatory work means that, in all probability, construction could not begin before 2003.

I have written to my hon. Friend giving her further details of my decision and I shall arrange for a copy of my letter to be placed in the Library of the House.

Dounreay

Mr. David Stewart: To ask the Secretary of State for Scotland if the UKAEA has yet responded to the HSE/SEPA report on the management of safety at Dounreay; and if he will make a statement. [62010]

Mr. Dewar: Safety at Dounreay remains paramount and I am keeping closely in touch with developments there. The United Kingdom Atomic Energy Authority has today published an action plan in response to the audit of the management of safety at Dounreay carried out earlier this year by the Health and Safety Executive and Scottish Environment Protection Agency. I have arranged for the action plan to be placed in the House of Commons Library.

Management and staff at Dounreay have worked very hard to produce this response to the many recommendations contained in the audit report. They have shown that they are taking the audit very seriously indeed. There are a number of points of detail which need to be discussed further, and there are issues of timing which need to be refined. Nonetheless this is an encouraging first step on what will be a long journey to bring the plant up to the standards expected of a modern nuclear licensee.

I expect UKAEA management to press ahead with implementation of the action plan as soon as it has been agreed by the plant's regulators. This will build on the actions already underway.

CABINET OFFICE

Ministers' Severance Payments

Mr. Baker: To ask the Minister for the Cabinet Office what has been the total amount spent on severance payments to those who have resigned, retired or been dismissed from ministerial office since 1 May 1997, broken down by ministry. [61516]

Mr. Kilfoyle: The Ministerial and Other Pensions and Salaries Act 1991 entitles Ministers (except the Prime Minister and the Lord Chancellor) to a severance payment of one quarter of their ministerial salary on leaving office.

The information requested is set out in the table.

Department	*Amount (£)*
Cabinet Office	11,300.25
Culture, Media and Sport	14,063.50
Environment, Transport and the Regions	11,300.25
HM Treasury	15,281.75
Northern Ireland Office	6,068.25
Social Security	19,295.50
Scottish Office	5,905.75
Trade and Industry	6,068.25
Welsh Office	17,368.50
Total	106,652.00

EDUCATION AND EMPLOYMENT

Schools (Absenteeism)

Dr. Gibson: To ask the Secretary of State for Education and Employment if he will commission research into staff absenteeism rates in schools *(a)* prior to and *(b)* following OFSTED inspections. [60880]

Mr. Charles Clarke: The Department's research programme is considered as a whole so that research priorities can be weighed against each other. The programme for 1999–2000 is under consideration and such research can be considered in that context, alongside other research priorities.

Key Stage 3

Miss McIntosh: To ask the Secretary of State for Education and Employment (1) what representations he has received on this year's Key Stage 3 tests in English, Maths and Science; and if he will make a statement; [61001]

(2) what representations he has received on the percentage increases in the achievement of levels 6 and 7 in English in 14 year olds and over since 1997; and if he will make a statement. [61002]

Ms Estelle Morris: Forty letters have been received about Key Stage 3 English, mathematics and science; no letters have been received specifically about the percentage increase in the overall attainment in levels 6

and 7 in Key Stage 3 English since 1997 and 1998. Pupils and teachers are congratulated on the improvement in English performance this year. The mathematics and science results demonstrate the need to maintain our focus on raising levels of attainment. The Government are fully committed to raising standards in schools. This is why we have asked schools to set themselves challenging targets for pupil attainment, and why we are investing an additional £16 billion in education in England over the next three years.

New Start Partnerships

Mr. Cotter: To ask the Secretary of State for Education and Employment what steps he will take to ensure that the training provided by the expanded New Start programme will target the needs of industry. [61173]

Mr. Mudie: We are encouraging employers to play a full part in all New Start partnerships, which aim to re-engage young people in learning, often through work related activities.

They will also have opportunities to influence the local strategic Lifelong Learning Partnerships to be established next year.

Jobseeker's Allowance

Mr. Burden: To ask the Secretary of State for Education and Employment if he will list the numbers of claimants on jobseeker's allowance who were called in to attend interviews whilst taking their holiday entitlement in the United Kingdom in each year since 1996. [61195]

Mr. Andrew Smith: Responsibility for the subject of the question has been delegated to the Employment Service agency under its Chief Executive. I have asked him to arrange for a reply to be given.

Letter from Leigh Lewis to Mr. Richard Burden, dated November 1998:

As the Employment Service is an Executive Agency, the Secretary of State has asked me to reply direct to your question regarding the number of claimants on Jobseeker's Allowance who were called in to attend interviews whilst taking their holiday entitlement in the United Kingdom in each year since 1996. This is something which falls within the responsibilities delegated to me as Chief Executive of the Agency.

I regret that the Employment Service does not collect statistics of the number of jobseekers who are called in to the Jobcentre to attend interviews during their holiday. In practice, this situation should not occur frequently as interviews can be rearranged if Jobcentre staff are aware in advance that a jobseeker is away from home.

I am sorry that I cannot be more helpful.

Employment Service

Ms Buck: To ask the Secretary of State for Education and Employment if he will establish website pages for each Employment Service region setting out the names and addresses of each contractor and sub-contractor supplying New Deal service contracts in each district. [61624]

Mr. Andrew Smith: We have no present plans to include this level of local detail on the New Deal website but I am examining how we can best use the internet for the New Deals and Employment Services more generally, and will include this suggestion in the examination. For now, those who wish to find out more about local provision should initially contact either the appropriate Jobcentre or the Employment Service District Manager.

Mr. Don Foster: To ask the Secretary of State for Education and Employment what assessment he has made of the reasons for the Employment Service's failure to meet its target for 1997–98 for placing people on Training for Work. [61075]

Mr. Andrew Smith: The Employment Service (ES) placed 130,600 people on training for work in 1997–98, against a target of 150,000 placings.

The assumptions on which the target was based proved mistaken in two respects. Training for Work employed status starts (which did not count towards the ES target) and direct recruitment by TECs/LECs were both higher than planned. This reduced the ability of the ES to meet its target. However, the ES share of non-employed Training for Work starts, as 81 per cent., met the Government's expectations.

Overall, the Government's target of 180,000 Training for Work starts in England was exceeded, with over 183,000 starts being achieved. This achievement would not have been possible without the strong support given to TECs/LECs by the ES.

Mr. Don Foster: To ask the Secretary of State for Education and Employment if he will list by region the number of staff employed by the Employment Service in *(a)* 1997–98, *(b)* 1996–97, *(c)* 1995–96 and *(d)* 1994–95. [61076]

Mr. Andrew Smith: Responsibility for the subject of the question has been delegated to the Employment Service agency under its Chief Executive. I have asked him to arrange for a reply to be given.

Letter from Leigh Lewis to Mr. Don Foster, dated November 1998:

The Secretary of State has asked me to reply to your question regarding the number of staff who are employed by the Employment Service, listed by region, in *(a)* 1997–98, *(b)* 1996–97, *(c)* 1995–96 and *(d)* 1994–95. This is something which falls within the responsibilities delegated to me as Chief Executive of the Employment Service.

I have recorded below a breakdown by region and by Scotland and Wales of the number of staff in post as at 1 April for 1998, 1997, 1996 and 1995. These figures include temporary and fixed term appointees as well as permanent staff. People who are on career breaks or absent for any reason beyond three months are excluded from these figures.

Employment Service—staff in post—1 April 1995–98

Region/country	Staff in post as at 1 April 1998	1997	1996	1995
Scotland	3,552	3,479	4,098	3,884
Northern	1,877	1,938	2,443	2,438
Yorkshire and the Humber	3,108	3,000	3,736	3,754
North West	4,606	4,071	5,150	4,360
East Midlands and Eastern	2,963	3,061	3,640	3,800
West Midlands	2,811	2,913	3,535	5,158
Wales	1,895	1,803	2,151	2,296
London and South East	8,163	9,530	11,326	12,304
South West	2,398	2,638	3,094	3,358
Head Office	2,155	1,741	1,983	2,027
Total	33,528	34,174	41,156	43,379

I hope this is helpful.

Work-based Training

Mr. Don Foster: To ask the Secretary of State for Education and Employment if he has set a target for the number of people to be placed on Work-based Training for Adults in 1998–99. [61073]

Mr. Mudie: The target for the number of people to be placed on work-based training for adults in 1998–99 is 120,000.

Dyslexia

Mr. Corbyn: To ask the Secretary of State for Education and Employment (1) how many primary schools provide computers with voice-driven software for dyslexic students; [60961]

(2) how many secondary schools provide an audio tape library for dyslexic pupils; [60962]

(3) how many secondary schools provide computers with voice-driven software for dyslexic pupils; [60963]

(4) how many primary schools provide an audio tape library for dyslexic pupils. [60964]

Mr. Charles Clarke: The information requested is not held centrally. Schools are expected to explore the possible benefits of and, where practicable, secure access for a child to appropriate information communications technology. Where such equipment is identified as educational provision and it appears in Part 3 of a statement of special educational needs the local education authority has a duty to see that the equipment is provided.

Mr. Corbyn: To ask the Secretary of State for Education and Employment what estimate he has made of the cost of screening all rising fives for dyslexia. [60953]

Mr. Charles Clarke: This information is not held centrally. The Education Act 1996 states that those responsible for a nursery school's governance shall use their best endeavours to secure that appropriate special educational provision is made for all their registered pupils with learning difficulties. Local education authorities expect that they will follow broadly the same procedures for identifying and meeting these needs as the Code of Practice on the Identification and Assessment of Special Educational Needs recommends for children of compulsory school age.

Mr. Corbyn: To ask the Secretary of State for Education and Employment what representations he has received on the ring fencing of special education funds for dyslexia. [60957]

Mr. Charles Clarke: The Government's plans for the further development of financial delegation to schools will require local education authorities to inform schools what part of their budgets are set with reference to pupils' special educational needs, but will continue to give governing bodies flexibility to decide their actual spending on special needs within the total budgets available to them. The majority of consultation responses on this proposal welcomed the clarity it would bring but were opposed to ring fencing an element of school budgets for special needs.

Mr. Corbyn: To ask the Secretary of State for Education and Employment what advice is offered by his Department to selective entry schools on making special provision for the needs of dyslexic children in entrance tests. [61197]

Mr. Charles Clarke: Children with special educational needs but without statements must be treated as fairly as other applicants. Admission authorities may not refuse to admit a pupil because they consider themselves unable to cater for his or her special educational needs. Admission authorities must consider applications from children who have special educational needs but no statement, on the basis of the school's published admission criteria. They cannot refuse to admit a pupil on the grounds that he or she does not have a statement of special educational needs, or is currently being assessed for one. Where admission authorities give some priority to children with special educational needs but without a statement, their published admission arrangements should state in what way their arrangements differ for such children.

Mr. Corbyn: To ask the Secretary of State for Education and Employment how many children in each local education authority area are identified as being dyslexic in the most recently available figures. [60952]

Mr. Charles Clarke: Provisions in the Education Act 1981, now consolidated into the Education Act 1996, require schools to submit information on numbers of pupils with special educational needs. There is no requirement for them to record the nature of the disability or learning difficulty. The Statistical Bulletin Special Educational Needs in England published annually summarises the information available on special educational needs. This includes details of pupils with statements by local education authority area and region, and details of pupils, with and without statements, in maintained primary and secondary schools by local education authority area and region.

Mr. Corbyn: To ask the Secretary of State for Education and Employment if he will make a statement on the methods used by local education authorities to identify children with dyslexia; and if he will publish the guidelines. [60949]

Mr. Charles Clarke: Guidance to help schools and local education authorities identify and assess children with specific learning difficulties, which includes dyslexia, is contained in the Code of Practice on the Identification and Assessment of Special Educational Needs. The Code was published in May 1994.

Mr. Corbyn: To ask the Secretary of State for Education and Employment what information he has on the number of unemployed people who are identified as dyslexic during a jobseeker's allowance interview. [60965]

Mr. Andrew Smith: Responsibility for the subject of the question has been delegated to the Employment Service agency under its Chief Executive. I have asked him to arrange for a reply to be given.

Letter from Leigh Lewis to Mr. Jeremy Corbyn, dated November 1998:

As the Employment Service is an Executive Agency, the Secretary of State has asked me to reply direct to your question concerning the number of people who are identified as dyslexic

during a Jobseeker's Allowance interview. This is something which falls within the responsibilities delegated to me as Chief Executive of the Agency.

The Employment Service does not keep statistics on the number of unemployed people identified as having dyslexia. Where an individual is identified as having dyslexia they can be referred to a Disability Employment Adviser for specialist support to help them find employment.

I am sorry that I cannot be more helpful on this occasion.

Mr. Corbyn: To ask the Secretary of State for Education and Employment (1) if he will publish the amount spent per local education authority on *(a)* identifying children with dyslexia and *(b)* educational support for such children in the last year for which figures are available; [60954]

(2) what is his estimate of the amount of specialist help in terms of *(a)* cost and *(b)* time given to each dyslexic child through stages one to five; [60955]

(3) what monitoring of expenditure by local education authorities on dyslexia is undertaken by his Department; and if he will make a statement; [60956]

(4) what estimate he has made of the time allotted by each local education authority to dyslexic children for special help for each of stages one to five in the last year for which figures are available. [60958]

Mr. Charles Clarke: The Department does not collect information on time spent or cost of education provision made by type of special educational need per local education authority or school. The Education Act 1996 and Code of Practice on the Identification and Assessment of Special Educational Needs recognises that every child has individual needs, including those children with dyslexia, and requires that local education authorities shall have regard to their duty to meet those needs. Similarly, school governing bodies shall use their best endeavours to see that they provide for pupils with special educational needs. This implies that children whose dyslexia requires special provision should have their educational needs identified and provided for appropriately.

Teachers (Flu Injections)

Mr. Baker: To ask the Secretary of State for Education and Employment what plans he has to offer teachers free flu injections; what estimate he has of the number of days off work which would be saved if such injections were available; and if he will make a statement. [60929]

Mr. Charles Clarke: My right hon. Friend is advised on this issue by the Department of Health which has issued specific recommendations about the risk groups who are offered annual influenza immunisation. He has no plans to offer teachers free flu injections outside the Department of Health recommendations and has made no estimate of the number of days off work that would be saved. He has asked the Local Government Association to survey Local Education Authorities on the extent of teacher sickness absence as part of the wider initiative on managing sickness absence in the public sector.

Special Needs

Mr. Laurence Robertson: To ask the Secretary of State for Education and Employment what factors are taken into account when classifying children as having moderate learning difficulties; what plans he has to review the statementing system; and if he will make a statement. [61502]

Mr. Charles Clarke: The Code of Practice on the identification and assessment of special educational needs includes guidance on the factors to be taken into account in deciding whether a child with learning difficulties should be given a statement. These include whether the child is working at a level significantly below his contemporaries in any of the core subjects of the National Curriculum; whether there is evidence that the child is falling progressively behind the majority of children of his or her age in academic attainment; whether there is evidence of impaired social interaction or communication; and whether the child has a significantly restricted repertoire of activities, interests and imaginative development. The recent publication "Meeting Special Educational Needs: A programme of action" makes it clear that the Government have no intention of removing the legal protection offered by statements or of constraining parents' access to a statutory assessment where they believe it is necessary. There are however wide variations between LEAs in making statements. The Government therefore propose to publish non-statutory guidance on criteria for statements drawing on a range of examples of current practice.

Disabled Students

Mrs. May: To ask the Secretary of State for Education and Employment when he intends to respond to the findings of the Snowdon Survey on financial considerations relating to students with disabilities. [61511]

Ms Hodge: The Government will respond to the Snowdon Survey recommendations in due course, after the results of the Scheme's consultation on the survey have been received.

New Deal (Planning Assumptions)

Mr. Don Foster: To ask the Secretary of State for Education and Employment if he will list the planning assumptions on which the New Deal pilots for over 25s are based, indicating the proportion of each part of the client group that the Government would usually expect, in the absence of the New Deal, to leave jobseeker's allowance within six months of reaching *(a)* 12 months, *(b)* 18 months and *(c)* 24 months unemployment and the indicative information the Government have about the proportion of jobseeker's allowance leavers who, in the absence of the New Deal, would go into jobs. [61081]

Mr. Andrew Smith: The specification, including off-flow rates from JSA, is in the Library.

Mr. Don Foster: To ask the Secretary of State for Education and Employment if he will list the planning assumptions on which each New Deal model, excluding the New Deal pilots for over 25s, are based, indicating the proportion of each client group that the Government would usually expect, in the absence of the New Deal, to leave jobseeker's allowance within six months of reaching *(a)* six months, *(b)* 12 months, *(c)* 18 months and *(d)* 24 months unemployment and the indicative information the Government have about the proportion of jobseeker's allowance leavers in each client group who, in the absence of the New Deal, would go into jobs. [61079]

Mr. Andrew Smith: I have placed the individual New Deal planning assumptions for each of the 143 Units of Delivery in the Libraries.

A-levels

Mr. Don Foster: To ask the Secretary of State for Education and Employment if he will list, for the most recent year for which survey information is available, the percentage of A level grades which are forecast *(a)* correctly, *(b)* too low, *(c)* too high and *(d)* too high by two grades or more; and if he will list each by school type. [61077]

Mr. Mudie: This information is not collected by the Department.

Construction Industry Training Boards

Mr. Green: To ask the Secretary of State for Education and Employment what is the percentage increase in pay settlements awarded by the CITB and ECITB for the next financial year. [61631]

Mr. Mudie: On 1 August 1998 the CITB awarded a 3.75% pay increase to its staff and the ECITB awarded an increase of 5%. In each case the awards are applicable to 31 July 1999.

Mr. Green: To ask the Secretary of State for Education and Employment what is the percentage increase in the levy charged to their in-scope companies by the CITB and ECITB for the next financial year. [61632]

Mr. Mudie: CITB proposes to raise a two-part levy in the next financial year with an increase of 0.09% in the percentage rate of payroll, from 0.29% to 0.38% for direct employees and no increase in the percentage rate for net payments to labour only subcontractors. ECITB is not proposing any increase in the next financial year.

ATTORNEY-GENERAL

Crown Prosecution Service

Mr. Donald Anderson: To ask the Attorney-General what steps have been taken to implement the recommendations of the report of the Review of the Crown Prosecution Service by the Right Hon. Sir Iain Glidewell. [62017]

The Attorney-General: My statement to the House on publication of the Glidewell Report on 1 June 1998, *Official Report*, column *42*, undertook to publish a formal response setting out the Government response to each recommendation, whether it would be implemented and, if so, how. I then said that a plan of action would be drawn up and published.

A programme of change based on recommendations made by the Glidewell Report and our prior decision to restructure the Crown Prosecution Service into 42 areas is being taken forward briskly under the leadership of Mr. David Calvert-Smith QC, whose appointment as Director of Public Prosecutions took effect on 1 November, and Mr. Mark Addison, who was appointed Chief Executive on 5 June. They expect to take decisions in the near future about the senior management structure within CPS headquarters and an open competition for the appointment of Chief Crown Prosecutors for each of the 42 new areas commenced with the placing of advertisements on 16 November. The selection process for the Area Business Managers recommended by the Glidewell Report is currently under way.

All this will be taken forward within the framework of the Government's overall strategy for developing a properly co-ordinated criminal justice system working to a common set of overarching aims and objectives. The emphasis will be on clear central policies for the criminal justice system delivered locally.

The objectives set for the change programme are:

The organisation should be taken as an opportunity for a fresh start for the CPS, building on the achievements of the past 12 years;

The development of a form of CPS management at both national and local levels which reflects the new structure and the demands of a decentralised national service;

CPS priorities should be reordered to focus more on the core business of prosecuting, placing greater emphasis on the more serious cases and providing greater separation of management from legal work, greater autonomy for the areas and better prospects for staff;

The agencies which make up the criminal justice system should have shared and mutually reinforcing objectives, and should co-operate together to achieve better results across the system as a whole, in accordance with the Government's decisions on the outcome of the cross-cutting spending review of the criminal justice system;

Decisions on the Glidewell recommendations should be reached as soon as possible and implementation of those decisions should be rapid and purposeful taking account of the need for phasing to provide a smooth transition and to contain costs.

Detailed consideration of the recommendations contained in the Glidewell Report has taken one of two forms. First, the Chief Executive has been energetically pursuing recommendations specific to the CPS with the support of an internal steering group and working parties to consider specific issues. He as also put in place mechanisms for obtaining the views of CPS staff at all levels. This has included work on internal structures, training, career prospects, central and special casework and the development of an independent element for the CPS Inspectorate.

Secondly, those recommendations which also affect other criminal justice agencies have been the subject of consideration within existing or specially established inter-departmental groups. The work is being carried forward under the auspices of the Strategic Planning Group which the Home Secretary, myself and the Lord Chancellor established earlier this year to co-ordinate planning within the criminal justice system. I have today placed in the Library of the House a chart setting out the present position in relation to each of the recommendations in the Glidewell Report. It shows those which have been accepted, in whole or in part, and the manner in which consideration of the remaining recommendations is being progressed, together with the anticipated timetable. Of the recommendations internal to the CPS, it is proposed that 39 should be accepted, in whole or in part, with 13 under consideration,

considered or noted. Of the 23 inter-agency recommendations, 7 have been accepted, wholly or in part, with 16 remaining under consideration or considered.

My statement to the House on 1 June contained an invitation to interested parties to comment on the recommendations made in the Glidewell Report. I am grateful to all those who took the trouble to respond for the care and effort which went into their responses. These have been carefully considered and will continue to inform decisions about those recommendations still under consideration.

I draw the attention of my hon. Friend to three specific aspects of the work so far undertaken. First, the recommendations in respect of Criminal Justice Units (recommendations 13–16 and 20) contain some of the most important and sensitive proposals in the Report. It recommended greater priority for all casework and sees the working arrangements between the CPS and the police service as crucial to successful handling of casework and therefore to achieving that priority. Acceptance would lead to major changes in the way in which CPS officers and the police operate. They are being considered by a newly formed Criminal Justice Units Project Group, which is chaired jointly by the CPS and the Association of Chief Police Officers. The issues raised will inevitably take some time to address, but it is hoped conclusions can be reached in the Spring of 1999 so as to provide the new Chief Crown Prosecutors with a firm basis for planning the operations in their areas. The proposal for the establishment of Trial Units (recommendation 18) is so closely linked to the question of Criminal Justice Units that it must remain under consideration until the position in that respect is clearer.

Secondly, the Report contains a number of recommendations (recommendations 21, 22 and 26) concerning the CPS's relationship with the courts, and suggests that the CPS should play a greater part in the listing of cases in both the Magistrates' Courts and the Crown Court. These recommendations are accepted.

Listing is ultimately the sole responsibility of the courts. The CPS, however, should play a close part in co-operative arrangements among all relevant agencies, necessary to ensure effective listing by the courts. The text of the report makes clear that greater involvement of the CPS in Magistrates' Courts listing would come about only by agreement, at local level, between the courts and the CPS. Although it should not inhibit CPS liaison and closer involvement in the overall listing process, any such agreement must recognise that the courts are the neutral and independent arbiters of the cases brought before them, and that a decision concerning the listing of an individual case is ultimately a judicial function.

Co-operation is needed at a local level to ensure that listing practices are effective and bring about significant improvements in, for example, the level of cracked and ineffective trials. In the Crown Court, improved case preparation and inter-agency moves towards better case management should lead to more effective listing practices, ensuring that cases are prepared and listed for trial more quickly.

Thirdly, the Glidewell Report made recommendations (68 to 72) for changes to the structure and remit of the CPS Inspectorate to incorporate a greater independent element. Those recommendations are being accepted in principle but with some modifications as to the detail. I propose that in future the CPS Inspectorate should be headed by a Chief Inspector appointed by me who would report to me. I also propose that there should be a non-executive Advisory Board which would include a lay member and that Inspectorate staff would include as well as CPS staff on secondment some individuals from outside the CPS. In addition, I propose that the remit of the Inspectorate should be widened to include performance efficiency and effectiveness so that it examines not only the quality of casework decisions and casework decision-making processes (as it does now), but also any other areas of CPS performance where they impact on issues surrounding casework, excluding financial audit. Consideration will be given to whether these arrangements should be placed on a statutory footing.

I take this opportunity to commend all those who have participated in the work so far undertaken, whether within the CPS or in other criminal justice agencies, on the progress made. I am confident that the position we have reached provides a sound basis for the CPS to go forward as a national but decentralised service with effect from April 1999 and so obtain maximum benefit from the "fresh start" which the Glidewell Report advocated.

I shall provide the House with a further report in the first half of 1999.

Mr. Donald Anderson: To ask the Attorney-General how many wasted costs orders have been made by courts against the Crown Prosecution Service in (i) 1996–97, (ii) 1997–98 and (iii) 1998–99 to date, with the breakdown of each Crown Prosecution Service Area and the total sums for such areas and further broken down by the Crown courts and the magistrates courts. [61161]

The Attorney-General: Wasted cost orders are usually understood to be orders against individuals pursuant to section 19A of the Prosecution of Offences Act 1985. These are extremely rare in relation to representatives of the Crown Prosecution Service.

My hon. Friend's question is taken to refer to orders made under section 19(1) of the Prosecution of Offences Act 1985, and regulation 3 of the Costs in Criminal Cases (General) Regulations 1986, these being orders based on an unnecessary or improper act or omission for which the prosecution is held responsible. The numbers of such orders made against the Crown Prosecution Service are set out for each year in the tables, with the totals for each Area, broken down to show awards made in the Crown Court and those made in magistrates courts. The final column of each table shows the amounts actually paid out by the Crown Prosecution Service, but it is not possible to divide this into sums paid in respect of orders made in the Crown Court and orders made in magistrates courts.

The number of orders made does not necessarily equate with the numbers of orders paid. No central record is kept of the amounts ordered to be made, although the Crown Prosecution Service accounting system records the payments actually made in the relevant accounting year.

Costs awarded against CPS—1998–99 (figures for April-September 1998 only)

	Number of costs awards against CPS		
	Crown Court	Magistrates Courts	Amount paid (£)
North	1	1	3,497.16
Yorkshire	0	6	2,859.10
Mersey/Lancashire	4	30	245.00
Humber	0	0	3,180.55
North West	3	7	11,602.38
East Midlands	0	2	10,787.52
Wales	4	8	3,212.03
Midlands	3	6	2,871.16
Anglia	1	5	3,510.04
Severn/Thames	0	7	6,117.83
South West	4	4	1,549.68
South East	12	40	28,681.58
London	11	12	62,262.10
Central Casework	3	1	21,773.14
Total	46	129	162,149.27

Costs awarded against CPS—1996–97

	Number of costs awards against CPS		
	Crown Court	Magistrates Courts	Amount paid (£)
North	5	13	10,231.05
Yorkshire	12	10	10,623.21
Mersey/Lancashire	8	13	889.53
Humber	10	5	16,712.45
North West	9	25	5,874.16
East Midlands	11	8	18,164.41
Wales	4	2	5,863.78
Midlands	0	11	9,551.70
Anglia	8	8	53,847.27
Severn/Thames	13	4	8,768.53
South West	0	14	4,319.44
South East	11	41	15,039.59
London	95	35	67,876.30
Central Casework	5	—	49,948.01
Total	191	189	277,509.43

Costs awarded against CPS—1997–98

	Number of costs awards against CPS		
	Crown Court	Magistrates Courts	Amount paid (£)
North	1	2	448.60
Yorkshire	0	4	14,459.22
Mersey/Lancashire	6	9	2,957.47
Humber	2	1	8,800.04
North West	5	11	6,495.46
East Midlands	0	1	10,867.38
Wales	7	11	15,034.97
Midlands	3	23	8,899.79
Anglia	16	5	27,693.63
Severn/Thames	7	8	9,942.23
South West	5	4	18,142.06

Costs awarded against CPS—1997–98

	Number of costs awards against CPS		
	Crown Court	Magistrates Courts	Amount paid (£)
South East	16	104	18,344.32
London	37	39	76,150.34
Central Casework	7	1	125,203.08
Total	112	223	343,478.59

Notes:

1. Information is not available to establish the enactment under which the orders were made and awards of costs made otherwise than in accordance with the Prosecution of Offences Act 1985 may be included.
2. The information in relation to the number of awards is limited to Crown Court and Magistrates Courts cases. It does not include costs awards made in the Higher Court.
3. Information about the amounts paid includes payments in respect of orders made in the Higher Courts, but the amounts cannot be broken down by the type of court.

HEALTH

Mental Illness

Mr. Crausby: To ask the Secretary of State for Health what percentage of the population aged between 16 and 65 years have *(a)* suffered from mental illness, *(b)* been under the care of a psychiatrist and *(c)* attempted suicide. [60993]

Mr. Hutton: A survey conducted in Great Britain in 1993 established that about one in six adults between the ages of 16 and 64 suffered from a neurotic disorder in the week before interview and about four per thousand had suffered from a psychotic disorder in the previous twelve months. There was no significant difference in the rates for England. Not all of those with neurotic symptoms would need medical care and in most cases this could be provided by the patient's general practitioner.

Only a small proportion of mentally ill people will need in-patient care. Those patients with finished consultant episodes following admissions to hospitals are shown in the table.

Information on attempted suicides is not collected centrally. The nearest data relating to attempted suicides are on self-inflicted injury resulting in admission to hospital, for which data are collected centrally. This information is included in the table.

National Health Service hospital facilities 1995–96

End age 16–65	FCEs	Percentage based on 1995 population estimate
Mental illness	154,560	0.5
Self-inflicted injury	56,200	0.2

Notes:

FCE are Finished Consultant Episodes

Figures have been rounded to the nearest whole number

Source:

HES : ONS

Abortion

Mr. Amess: To ask the Secretary of State for Health what assessment he has made of the accuracy of British abortion statistics; and if he will make a statement on how they are compiled. [61673]

Ms Jowell: Abortion statistics are compiled from the information provided on the notification form which medical practitioners are obliged by the Abortion Act 1967 to submit to the Chief Medical Officer within 7 days of each abortion. Incomplete or unclear forms are returned to practitioners for clarification and resubmission. Any evidence of non-reporting is investigated and would be referred to the Crown Prosecution Service if appropriate.

The Department's Chief Medical Officer recently wrote to all obstetricians and gynaecologists in England and Wales to remind them of their legal obligations with regard to completion of notification forms.

Cervical Cancer

Mr. Corbett: To ask the Secretary of State for Health what assessment he has made of the use of hydrolysed DNA assay testing for the early detection of cervical cancer in tandem with the present smear test. [61530]

Mr. Hutton: The Department is aware of a number of new technologies being developed which might be used to improve the efficiency and effectiveness of the National Health Service cervical screening programme. Any changes to the programme will be introduced only after assessments have proven they are both clinically and cost-effective. The Advisory Committee on Cervical Screening is currently considering the potential role of new technologies in the cervical screening programme.

Child Labour

Mr. Corbyn: To ask the Secretary of State for Health (1) when he expects to be able to announce proposals to alter child labour legislation in the United Kingdom; [60950]

(2) if he will publish the representations received on the future of child labour legislation in the United Kingdom. [60951]

Mr. Milburn: We expect the report of the group currently reviewing child employment legislation to be available in the early part of next year. The timing of any alterations to child employment law will depend on the findings of that review. We expect the review's report to contain details of any representations they received.

Dyslexia

Mr. Corbyn: To ask the Secretary of State for Health (1) what departmental funding is made available for research programmes into the causes of dyslexia; and what expenditure is planned for 1999–2000; [60966]

(2) what research information is held by his Department on the causes of childhood dyslexia; and if he will make a statement. [60960]

Mr. Hutton: The Department does not hold, nor does it plan to commission, any research into the possible causes of dyslexia.

We are collaborating with the Department for Education and Employment on a small project to investigate whether the use of coloured overlays in schools could help the development of children's reading skills. The cost of this research has not yet been fully estimated.

Children's Health (Income during Pregnancy)

Ms Harman: To ask the Secretary of State for Health if he will make a statement on the relationship between income during pregnancy and a child's *(a)* health in early years and *(b)* long-term health prospects. [61735]

Ms Jowell: The recent independent inquiry into inequalities in health, chaired by Sir Donald Acheson, examined, among other things, inequalities in women of childbearing age, expectant mothers and young children. More generally, the inquiry report drew attention to improvements in health and life expectancy associated with income and living standards.

We are firmly committed to improving the living standards of the poorest households and are already taking a number of measures that will help to achieve this. We shall be considering Sir Donald's recommendations as a whole in the development of our new health strategy, about which we shall publish a White Paper early next year.

Councillors

Ms Harman: To ask the Secretary of State for Health if he will list the local authorities in *(a)* England and Wales and *(b)* Scotland showing the number of councillors on each who are (i) men and (ii) women. [61729]

Ms Jowell: The information requested has been the subject of a survey of local authorities conducted by the Women's Unit. It is in the process of being analysed. Not all the responses have been received as yet. The results are being examined and an analysis will be placed in the Library.

Care Services (Gloucester)

Mr. Laurence Robertson: To ask the Secretary of State for Health what standard spending assessment has been allocated to Gloucester County Council for the provision of care services in *(a)* 1996–97, *(b)* 1997–98, *(c)* 1998–99 and *(d)* 1999–2000. [61506]

Mr. Hutton: Details of the standard spending assessments allocated to Gloucestershire County Council for the provision of social services up to 1998–99 are shown in the table. Indicative standard spending assessment figures for 1999–2000 by local authority will be announced shortly.

Year	*£ million*
1996–97	61.579
1997–98	66.678
1998–99	70.932

Mr. Laurence Robertson: To ask the Secretary of State for Health what care services local authorities are required to provide; what assessment he has made of the

level of care services provided by Gloucestershire County Council; what steps he is taking to improve care facilities; and if he will make a statement. [61507]

Mr. Hutton: Social services authorities' powers and duties to provide care services for adults are set out in various pieces of legislation, including the National Assistance Act 1948, the Health Services and Public Health Act 1968, the Chronically Sick and Disabled Persons Act 1970, the Disabled Persons (Services, Consultation and Representation) Act 1986, the National Health Service and Community Care Act 1990, the Carers (Recognition and Services) Act 1995, and the Community Care (Direct Payments) Act 1996.

Local authorities' responsibilities for providing care services for children are set out in the Children Act 1989, part III of which deals with support to children in need and their families including the provision of accommodation for children; part IV, with ensuring care and supervision through the courts; part V, with the protection of children from abuse and neglect; and part X concerns child minding and day care for young children.

In recent years Gloucestershire has been inspected by the Social Services Inspectorate as follows:

Year	*Report*
1998	Care management/care programme approach (mental health)
1997	Hospital discharge (care management)
1996	Children leaving care
1995	Information Strategies and systems in community care
1995	Foster care
1995	Inspection units
1994	Complaints procedures

Copies of all these reports are available in the Library.

We are today publishing our White Paper, *Modernising Social Services*. This sets out a wide range of proposals to improve standards in all social services.

HOME DEPARTMENT

Police (Early Retirement)

22. **Mr. McNulty:** To ask the Secretary of State for the Home Department what steps he is taking to reduce the rate of early retirement in the police. [61112]

Mr. Boateng: Following our consultation document earlier this year on police pension arrangements, work is in hand on specific proposals to improve practice in managing ill-health retirement and to support good management practice with changes to the Police Pensions Regulations where necessary. Any proposals we make will be published in advance to allow for full consultation with the interested parties.

Departmental Research

23. **Fiona Mactaggart:** To ask the Secretary of State for the Home Department what are the priorities for research in his Department. [61113]

Mr. Boateng: My Department is carrying out social and scientific research and evaluation across the range of Home Office policy and programmes, in particular, formulating a new Crime Reduction Programme and evaluating the key proposals in the Crime and Disorder Act 1998, a new programme of drugs research, carrying out repeat surveys of both Local Voluntary Activity and Youth Lifestyles and a £700,000 programme of police research. This year's external research programme of the Home Office's Research, Development and Statistics Directorate was published in June and copies are available in the Library. The details of the police research programme will soon be available on the Internet.

Prisoners

24. **Mr. Borrow:** To ask the Secretary of State for the Home Department if he will make a statement on the progress being made in reducing the prison population. [61114]

Mr. Boateng: The prison population peaked at 66,500 at the end of July and, taking seasonal factors into account, there has been no substantial growth in the population since April this year.

The Government believe that prison must be the right response for those who pose a danger to the public, such as violent or sexual offenders and for persistent offenders. It is, however, for the courts to decide the appropriate sentence in any individual case, within the statutory limits set by Parliament. The Prison Service has a duty to keep in custody those sentenced to prison and the Government's duty is to provide the resources to enable this to happen. The Comprehensive Spending Review took full account of this.

Liquor Licensing Laws

25. **Mr. Illsley:** To ask the Secretary of State for the Home Department if he will make a statement on reform of the liquor licensing laws. [61115]

Mr. George Howarth: On 5 May, I announced that we were starting a general review of the liquor licensing laws. This is underway; we need to look at the full range of issues before announcing our conclusions.

Prisons (Drug Tests)

26. **Mr. Goggins:** To ask the Secretary of State for the Home Department what his assessment is of the impact of random drug tests in prison. [61116]

Mr. George Howarth: Drug testing is an integral part of the Prison Service's drug strategy. It provides an indication of the level of drug misuse in prisons and a deterrent to those who may be tempted to use drugs. It is a valuable part of a package of measures to combat drug misuse. In May, I announced a new strategy for testing which provides for a more targeted approach.

Prison Service

27. **Mr. Jack:** To ask the Secretary of State for the Home Department if he will make a statement on the proportion of Prison Service expenditure derived from the Prison Service's trading activities. [61117]

Mr. George Howarth: Although the Prison Service is not set up as a trading organisation, it does derive income from commercial activities. Gross expenditure by the Prison Service in 1997–98 was £1,760.9 million.

This expenditure was offset by receipts of £23.3 million in the classes authorised for use as appropriations in aid, of which £8.4 million were from sales of capital assets. £7.7 million (33 per cent. of all receipts; 52 per cent. of current receipts) of those receipts arose from external sales from prison industries and farms.

Police (Effectiveness)

28. **Mr. Derek Twigg:** To ask the Secretary of State for the Home Department what performance indicators are used to measure the effectiveness of police forces. [61118]

Mr. Boateng: The effectiveness of police forces is measured against performance indicators identified by the Home Office, the Audit Commission and Her Majesty's Inspectorate of Constabulary (HMIC) and the Association of Chief Police Officers. The indicators are designed to cover the most important aspects of service delivery. Detailed comparative analysis of performance based on the indicators is included in the published HMIC inspection reports.

Channel Islands

29. **Mr. Mitchell:** To ask the Secretary of State for the Home Department what deadlines he will be giving to the Channel Islands for the completion of the proposals set out in the Edwards report. [61119]

Mr. Mike O'Brien: The Minister of State, my noble Friend the Lord Williams of Mostyn, is to chair a group made up of representatives of the Channel Islands, the Isle of Man and the United Kingdom to examine the conclusions of the Edwards Report and the plans of action being drawn up in response to those conclusions, including timetables.

Community Sentences

30. **Mr. Cox:** To ask the Secretary of State for the Home Department if he will set out the steps he is taking to increase public awareness of the value of community sentences. [61120]

Mr. George Howarth: My Ministerial colleagues and I try to publicise good work undertaken by the probation service, of which there are many examples. We are also considering, in the light of responses to the consultation document "Joining Forces to Protect the Public", renaming community sentences to help the public to understand better what they involve and the important responsibilities which the probation service has in punishing offenders, reducing crime and protecting the public.

Crime and Disorder Act 1998

31. **Mr. Blizzard:** To ask the Secretary of State for the Home Department if he will make a statement on the implementation of the Crime and Disorder Act 1998. [61121]

Mr. Boateng: The Crime and Disorder Act received Royal Assent on 31 July 1998. Of the 121 sections in it, 87 have now been brought into force, some on a pilot basis. The majority of other sections will be introduced within the next 12 months. Sex offender orders will come into force on 1 December. Anti-social behaviour orders will come into force on 1 April next year.

Crime and disorder reduction partnerships, which are central to the Act, are being established throughout England and Wales. Many areas have already undertaken significant work towards their crime and disorder audits. Up to date information on the implementation of the Act is available on the Internet at *www.homeoffice.gov.uk/cdact/index.htm*.

Crime Victims

32. **Mr. Pearson:** To ask the Secretary of State for the Home Department what action he is taking to give increased rights to the victims of crime. [61122]

Mr. Boateng: We believe that the needs of victims and witnesses should be at the heart of the criminal justice system. We shall be introducing in the current parliamentary session the Youth Sentencing and Witnesses Bill, which will give increased rights to victims of crime. Other measures in the Bill, while not conferring rights on victims as such, will nonetheless make a further significant contribution towards improving the position of victims.

34. **Dr. Tony Wright:** To ask the Secretary of State for the Home Department what advice is given by his Department to the police about the need to inform the victims of crime about the outcome of their case. [61124]

Mr. Boateng: Under the Victim's Charter the police have a responsibility for informing victims if someone has been caught, cautioned or charged: victims who want to receive further information should additionally be told of any decision to drop or alter the charges substantially, the date of any trial and the final result. Most police forces have now established arrangements for keeping victims informed of more significant developments in their case, though practice varies across the country. Ways in which this Charter standard might be achieved more readily and more consistently have been the subject of pilot studies over the past two years. An interim evaluation report has just been published—a copy has been lodged in the Library—and the final evaluation should be available next Spring. Our intention is then to issue good practice guidelines to all police forces.

Crime Reduction

33. **Mr. Ivan Lewis:** To ask the Secretary of State for the Home Department what resources he has made available to help reduce crime in areas with high offending rates. [61123]

Mr. Boateng: On 21 July 1998, *Official Report*, columns 914–24, the Government announced a new crime reduction programme supported by £250 million over the next three years. As part of that programme, we will be spending at least £50 million over the next three years on tackling domestic burglary in areas with a high burglary problem.

Crime (Essex)

35. **Mr. Amess:** To ask the Secretary of State for the Home Department what recent representations he has received about the level of crime in Essex. [61125]

Mr. Boateng: I have received a number of representations from members of the public about crime issues in Essex.

The crime rate statistics for 1997–1998 recently presented to the Audit Commission for its annual review of police performance, confirmed that the crime rate in Essex decreased by 9.8 per cent. against the previous 12 months. The total number of offences falling to 89,380—the lowest since 1990.

Young Offenders

36. **Mr. Ruffley:** To ask the Secretary of State for the Home Department what representations he has received regarding the punishment of young offenders. [61126]

Mr. Boateng: The Government have set out their policy on the punishment of young offenders in three consultation documents (Tackling Youth Crime, New National and Local Focus on Youth Crime and Tackling Delays in the Youth Justice System). By 8 December 1997, 297 responses had been received to "Tackling Youth Crime", 250 responses to "New National and Local Focus", and 177 responses to "Tackling Delays". Summaries of the responses to each of the three papers have been placed in the Library.

The White Paper "No More Excuses—A New Approach to Tackling Youth Crime in England and Wales" was published in November 1997. Many of the policies contained in the White Paper were made by the Crime and Disorder Act 1998, which received Royal Assent on 31 July 1998.

Detainees

Mr. Corbyn: To ask the Secretary of State for the Home Department what is his current estimate of the number of people detained under immigration legislation. [61100]

Mr. Mike O'Brien: As at 31 October, approximately 970 people were held in detention solely under Immigration Act powers.

Psychiatric Care

Mr. Beith: To ask the Secretary of State for the Home Department how many prisoners were clinically assessed as requiring medium secure psychiatric care in each of the last five years; how many of those assessed were transferred to psychiatric hospitals; and if he will make a statement. [61157]

Mr. Mike O'Brien: The number of transfers to hospital by direction of the Home Secretary under section 47 and 48 of the Mental Health Act 1983 in each of the last five years was as follows:

Year	*Number of Prisoners transferred*
1993	767
1994	785
1995	723
1996	745
1997	745

Some 50–60 per cent. of such transfers are to medium secure or equivalent conditions of security. Information about the number of clinical assessments for psychiatric care is not collected centrally and could be obtained only at disproportionate cost.

Medway Secure Training Centre

Dr. Vis: To ask the Secretary of State for the Home Department if he will list the ministerial visits to the Medway Secure Training Centre since 1 May 1997. [61018]

Mr. Boateng: Medway Secure Training Centre opened on 17 April 1998. The then Minister of State, my right hon. Friend the Member for Cardiff, South and Penarth (Mr. Michael), visited the centre on 26 August, as did I on 17 November 1998.

Sara Barhandi

Mr. Woolas: To ask the Secretary of State for the Home Department what progress he has made in ascertaining the whereabouts of Sara Barhandi, abducted from her home on 15 August. [60997]

Mr. Boateng: Since being notified of the disappearance of Sara Barhandi, the police have made extensive inquiries, both within the United Kingdom and abroad, in an effort to locate her. This included issuing an All Ports Bulletin in an effort to prevent her from being removed from this country. To date, no information has yet been received to confirm her whereabouts, although inquiries are ongoing.

Animal Experiments

Mr. Baker: To ask the Secretary of State for the Home Department (1) if he will take steps to regulate the destruction of unwanted animals bred for use in experiments; [60936]

(2) what steps he is taking to reduce the numbers of animals bred for use in experimentation but subsequently discarded without being so used; [60938]

(3) if he will make it a requirement for those holding project licences under the Animals (Scientific Procedures) Act 1986 to publish details of the number of surplus animals killed each year; [60937]

(4) if he will estimate the number of animals bred each year for possible use in experimentation but subsequently discarded without being so used. [60939]

Mr. George Howarth: Under the terms of section 10 of the Animals (Scientific Procedures) Act 1986, animals bred in designated establishments for use in scientific procedures but which are surplus to requirement must be killed by a method which is appropriate under Schedule 1 to the Act or otherwise approved by the Secretary of State. We have already accepted recommendations made by the Animal Procedures Committee, in its interim report on the review of the 1986 Act, that those killing animals by Schedule 1 methods should be trained and that a register of competent persons should be maintained in designated establishments. We have no plans, at this stage, to introduce further controls.

The production of genetically modified animals is a regulated procedure under the terms of the 1986 Act and must, therefore, have project licence authority. Details of all such animals are already included in the annual statistics. Project licence holders are not, however, responsible for the breeding of non-genetically modified animals and it would not, therefore, be possible for them

to provide details of the number of surplus animals killed each year. All establishments are, however, required to keep records of the source, use and disposal of animals.

The Animals Procedures Committee has been looking at overbreeding and wastage of laboratory animals as part of its review of the operation of the 1986 Act. The Committee's report on the review was published as appendix F to the Committee's annual report, which was laid before Parliament on 26 November. The Committee notes that some overbreeding is unavoidable, but it can be minimised and the Committee has identified six principles of good practice which will be refined in collaboration with the Laboratory Animal Science Association. We accept the Committee's recommendation that we should issue these as guidelines for breeding establishments.

The Committee also suggests that establishments be required to report to the Home Office figures for overbreeding of those animals listed in Schedule 2 to the 1986 Act. We will consider this.

Driving Offences

Mr. Baker: To ask the Secretary of State for the Home Department what is the average penalty applied to a person convicted of accidentally killing another whilst in charge of a motor vehicle. [61501]

Mr. Boateng: The readily available information relates to the average length of custodial sentences (unsuspended imprisonment and young offender institution) in England and Wales in 1996 for the three offences involving causing death and is as follows:

Offence	*Average sentence length (months)*
Causing death by dangerous driving	33.7
Causing death by careless driving under influence of drink or drugs	34.5
Causing death by aggravated vehicle taking	22.6

Mr. Baker: To ask the Secretary of State for the Home Department how many persons were *(a)* charged with and *(b)* convicted of dangerous driving in the last year for which figures are available. [60934]

Mr. Boateng: The readily available information relates to the number of proceedings and findings of guilt for offences of dangerous driving, which, in England and Wales in 1996, the latest year for which figures are available, were 10,017 and 5,750 respectively.

Mr. Laurence Robertson: To ask the Secretary of State for the Home Department what guidance he gives to the police regarding decisions on whether to prosecute offending motorists or to require them to undertake driver improvement schemes; what percentage of offending motorists *(a)* were prosecuted and *(b)* took part in these schemes in (i) Gloucestershire and (ii) the United Kingdom in the last year for which figures are available; and if he will make a statement. [61504]

Mr. Boateng: None. Decisions on whether to prosecute drivers or offer them a place on a driver improvement scheme are for the police to take in consultation with the Crown Prosecution Service, as appropriate. The figures requested are not available centrally.

Policing (Greater Manchester)

Ms Blears: To ask the Secretary of State for the Home Department if he will make a statement on the funding to be made available for policing in Greater Manchester in 1999–2000. [61107]

Mr. Boateng: My right hon. Friend announced on 21 July 1998, *Official Report*, column 915, that the police service in England and Wales will receive an additional £1.24 billion over the next three years from 1999–2000. Our plans allow for police expenditure to increase by 2.65 per cent. in 1999–2000. Funding will be allocated to individual police authorities by means of a needs-based formula next year. We will announce provisional allocations later this week.

Sex Trafficking

Mr. Corbett: To ask the Secretary of State for the Home Department what information his Department (i) collects and (ii) publishes on the trafficking in women for sexual purposes in *(a)* the United Kingdom, *(b)* the rest of the EU and *(c)* wider Europe. [61533]

Mr. Boateng: The Government do not collect statistical information specific to women who are trafficked for sexual purposes.

The Home Office Policing and Reducing Crime Unit of the Research, Development and Statistics Directorate is currently considering commissioning a small research study on trafficking in women. This will draw together any information which exists on the extent and forms of trafficking in women in England and Wales.

Mr. Rendel: To ask the Secretary of State for the Home Department what involvement his Department has in the efforts to combat the trafficking in women for sexual purposes in *(a)* the EU and *(b)* wider Europe. [61531]

Mr. Boateng: The United Kingdom is fully committed to opposing trafficking in women and its associated activities. We are taking steps to implement the European Union Joint Action of December 1996 to combat trafficking in human beings and sexual exploitation of children, and we support and participate in the European Union STOP programme, which provides for incentives and exchanges for persons responsible for combating trafficking in human beings and the sexual exploitation of children. In addition, we recently adopted The Hague Ministerial declaration on a European Code of Conduct to prevent and combat trafficking in women for the purpose of sexual exploitation.

Among other initiatives, this year the United Kingdom took part in an European Union/United States information campaign to address the problem of trafficking in women from Poland and the Ukraine. We are also working on the problem, together with other European Union member states and countries of Central and Eastern Europe, within the European Conference. At the meeting of the European Conference on 6 October 1998, the conference tasked its expert group on drugs and organised crime to examine how the measures in the Joint Action to combat trafficking in human beings and the sexual exploitation of children could be extended to all States participating in the group's work.

The Government also support action to combat illegal immigration, including that of women for sexual purposes, in both European Union and international fora, and have

supported information campaigns aimed at alerting women to the risks involved in such illegal immigration.

European Network of Policewomen

Mr. Corbett: To ask the Secretary of State for the Home Department what contribution his Department makes to the work of the European Network of Policewomen; what is the composition and role of the network; and what is the estimated annual cost to public funds of United Kingdom participation in it. [61532]

Mr. Boateng: The organisation is based in the Netherlands and the majority of its funds are provided by the Dutch Ministries of the Interior and Justice. This Department does not make any contribution to the work of the European Network of Policewomen centrally. However, a small number of police forces and National Police Training at Bramshill, who are supporting members, have made small annual contributions.

I understand that the main objective of this organisation is

"to optimise the position of policewomen in the European police service".

It promotes the exchange of information, research and training between organisations and individuals who endorse the ideal that the police organisation should be a place where women and men can work together as equals.

Dyslexia

Mr. Corbyn: To ask the Secretary of State for the Home Department what estimate he has made of the percentage of the *(a)* female and *(b)* male prison population who are dyslexic in each of the past 10 years. [60946]

Mr. George Howarth: The Prison Service does not currently undertake separate screening tests for dyslexia so the information requested is not available. However, dyslexia screening on induction for prisoners in the dispersal estate is to be introduced from 1 January 1999. In addition, the Prison Service is looking at a number of options to identify dyslexia needs among prisoners and will issue guidance on screening tests to providers of prison education when the research which it has commissioned is complete, at the end of February 1999.

Mr. Corbyn: To ask the Secretary of State for the Home Department what is his Department's estimate of the number of current young offenders who are dyslexic; and what estimate he has made of the number in each of the last five years. [60947]

Mr. Boateng: No information is available about the number of young offenders who are dyslexic. However, results from Prison Service skills screening tests for literacy and numeracy amongst prisoners in general suggest that 60 per cent. have poor literacy and communication skills and 75 per cent. have poor numeracy skills.

Mr. Corbyn: To ask the Secretary of State for the Home Department what specialist help is available to dyslexic prisoners by the Prisons Education Department; and if he will make a statement. [60948]

Mr. George Howarth: All education departments in prisons try to identify the individual learning needs of prisoners. Where there is an indication that there are dyslexia needs, specialist advice and guidance is sought and appropriate learning can be made available. Specialist advice is sought from the British Dyslexia Association which provides a full diagnostic assessment, or, within some education departments, from teachers who have undertaken specialist training leading to nationally recognised accreditation.

WPC Fletcher

Mr. Dalyell: To ask the Secretary of State for the Home Department when he expects to make a statement on Scotland Yard's continuing investigation into the case of WPC Fletcher. [61088]

Mr. Straw: As I said to my hon. Friend in my answer of 26 October 1998, *Official Report*, column 47, I understand from the Metropolitan Police that their review of the evidence surrounding the murder of Woman Police Constable Fletcher is nearing completion. I expect to receive a report as soon as is practicable after the police inquiries are completed.

Firearms Compensation Scheme

Mr. Laurence Robertson: To ask the Secretary of State for the Home Department what has been the total cost of all the options of *(a)* the high calibre handgun compensation scheme and *(b)* the low calibre handgun compensation scheme; and what were the associated staff costs in each case. [61633]

Mr. Boateng: The information is as follows:

Cost of payments under the large-calibre handgun compensation scheme: £57,160,079

Cost of payments under the ex gratia payment scheme for small-calibre pistols: £4,671,200

Cost of payments under the statutory compensation scheme for small-calibre pistols: £1,452,958

Firearms Compensation Section staff costs (including Agency staff) at end October 1998: £1,704,339.

Immigration Advisers

Mr. Gareth Thomas: To ask the Secretary of State for the Home Department when he proposes to bring forward measures to regulate immigration advisers. [61092]

Mr. Mike O'Brien: We hope to bring forward legislation to regulate unscrupulous immigration advisers in the next few months.

TREASURY

Pensions Mis-selling

Mr. Sayeed: To ask the Chancellor of the Exchequer what steps the FSA has taken to investigate the possibility of general mis-selling of *(a)* free-standing additional voluntary contributions and *(b)* other pension top-up policies since their introduction. [61186]

Ms Hewitt: This is a matter for the Financial Services Authority. I refer the hon. Gentleman to the FSA's statement of 19 October.

Mr. Sayeed: To ask the Chancellor of the Exchequer if he will list the uncertainties involved in estimating the ultimate cost to firms of the mis-selling pensions review;

and what steps he will take to produce an estimate of the split of the likely cost of the pension review between with profits and unit linked policies. [61182]

Ms Hewitt: This is a matter for the Financial Services Authority.

VAT (Dried Fruit)

Mr. Maude: To ask the Chancellor of the Exchequer (1) if he will estimate the revenue from VAT on sweetened dried fruit sold as confectionery in *(a)* 1998–99 and *(b)* 1999–2000 as a result of HM Customs updating of VAT Notice 701/14 Food; [60878]

(2) how much revenue was raised from VAT charged on sweetened dried fruit sold as confectionery in *(a)* 1996–97 and *(b)* 1997–98. [60877]

Dawn Primarolo: There are no actual figures on VAT receipts from dried fruits available. Using information on sales of dried fruit, HM Customs and Excise estimate the VAT on sweetened dried fruit sold as confectionery to be no more than £5 million for each year.

The updating of VAT Notice 701/14 Food has no effect on the VAT treatment of sweetened dried fruit sold specifically as confectionery.

Individual Savings Accounts

Mr. Sayeed: To ask the Chancellor of the Exchequer what assessment he has made of the advantages of including the savings-related share option scheme within the proposed system of ISA accounts. [61187]

Ms Hewitt: The facility to transfer shares emerging from Inland Revenue approved all-employee savings related share option and profit sharing schemes to ISAs continues a facility already available with single company PEPs. The facility has been retained for ISAs following responses to the original ISA consultation by companies operating these schemes. We are persuaded that this facility is a significant incentive to employees in these schemes to hold onto their shares and can help to achieve our objective of boosting employee share ownership.

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer (1) what is his latest estimate of the number of additional savers expected as a result of the introduction of the individual savings account; and if he will make a statement; [61070]

(2) how many extra savers he expects as a result of the introduction of the individual savings account. [60945]

Ms Hewitt: I refer the hon. Gentlemen to the answer given by the Prime Minister to the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) on 17 November 1998, *Official Report*, column *496*.

Financial Services

Mr. Sayeed: To ask the Chancellor of the Exchequer what steps he intends to take to collect information on the proportions of financial services products sold *(a)* on commission and *(b)* by advisers taking a fixed fee. [61185]

Ms Hewitt: None.

Double Tax Relief

Mr. Gibb: To ask the Chancellor of the Exchequer when he expects to publish a consultation document on his review into double tax relief. [61041]

Dawn Primarolo *[holding answer 27 November 1998]:* No date has been set for publication of the consultation document. Informal consultations with business and with representative bodies are still continuing.

European Community VAT

Mr. Mitchell: To ask the Chancellor of the Exchequer what discussions have taken place in the Council of Ministers (ECOFIN) in respect of the proposals of the European Commission in Com (96) 328 Final concerning a revised system of VAT. [61727]

Dawn Primarolo: The European Commission's proposals for a Common VAT System were presented to member states at the 14 October 1996 ECOFIN by Commissioner Monti, but they were not endorsed or debated at that meeting. A Commission proposal to reform the VAT Committee, which forms part of the Common VAT System proposals, is on the agenda for the ECOFIN meeting on 1 December 1998.

Mr. Mitchell: To ask the Chancellor of the Exchequer what memoranda have been made available to *(a)* hon. Members and *(b)* others, signed by Ministers, concerning the proposals of the European Commission for a revised system of community value added tax, as contained in their Document 9466/96 Com (96) 328 Final; and on what dates they were made available. [61726]

Dawn Primarolo: The following Explanatory Memoranda have been made available to hon. Members:

Document 9466/96 of 25 September 1996 on the Commission's overall work programme for a Common VAT System;

Document 7478/97 of 16 June 1997 and Supplementary Document 12805/97 of 17 December 1997 on a proposal for enhanced arrangements for co-operation between tax authorities;

Document 9118/97 of 29 July 1997 on a proposal for reform of the VAT Committee;

Document 9741/98 of 21 July 1998 on a proposal concerning the rules governing the right to deduct VAT; and

Document 9877/98 of 24 July 1998 on a proposal on mutual assistance in the recovery of debts.

EC Monetary Committee

Mr. Mitchell: To ask the Chancellor of the Exchequer what proposals have been placed before the Council of Ministers (ECOFIN) of the European Community for the formation of the Monetary Committee required under Article 109c of the Treaty of Maastricht and Article 114 of the proposed consolidated Treaty of that community; and if he will make a statement. [61725]

Ms Hewitt: In accordance with Article 109c(2) of the Treaty, the present Monetary Committee will be dissolved at the beginning of stage 3 of EMU (1 January 1999). The same Article requires that an Economic and Financial Committee (EFC) be set up as its successor.

On 25 February 1998 the European Commission presented its proposal for the formation of the EFC. This was circulated to Member States on 27 March 1998 (7189/98 COM(1998)110 final).

The proposal was deposited in Parliament on 7 April 1998 and an explanatory memorandum was submitted to Parliament on 22 April 1998. This cleared scrutiny on 27 April 1998 through the Lords Select Committee on the European Communities (the Chairman's 954th Sift) and on 29 April 1998 through the Commons Select Committee on European Legislation (26th Report Session—1997–98).

The tasks of the EFC are set out in the Treaty.

EU Convergence Programme

Mr. Mitchell: To ask the Chancellor of the Exchequer if he has submitted a new convergence programme revising that of September 1997 to the EU Council following the downward revision of his growth projections. [61718]

Ms Hewitt: The Government intend to submit a new Convergence Programme in the near future.

Drugs

Mr. Singh: To ask the Chancellor of the Exchequer what quantity of heroin has been imported into the United Kingdom through controlled deliveries since 1985; from which countries it came; and in *(a)* how many instances and *(b)* what quantity some of those imports have gone missing. [61717]

Dawn Primarolo: It is not Customs and Excise policy to disclose detailed information relating to operational activity.

Mr. Singh: To ask the Chancellor of the Exchequer when he will publish the result of the Customs National Investigation Service inquiry into the practice of the controlled delivery of drugs by drugs liaison officers attached to the British High Commission in Islamabad. [61486]

Dawn Primarolo: Customs are conducting an internal review of procedures used in controlled deliveries. It is not practice to publish such reviews.

Mr. Singh: To ask the Chancellor of the Exchequer what action was taken in respect of the senior British Drugs Liaison Officer who was caught in possession of heroin in his official vehicle in mid-1997. [61627]

Dawn Primarolo: No such incident took place.

European Central Bank

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if it is his policy to promote increased transparency in the decision-making processes of the European Central Bank; and if he will make a statement. [61063]

Ms Hewitt: The Government believe that it is vital that the European Central Bank (ECB) is as open and transparent as possible. Transparency is an important factor in ensuring that the ECB gains the trust of the European public and financial markets. Ultimately it will provide the credibility needed to deliver a more effective monetary policy. The Government welcomed the announcement by the ECB on 13 October on elements of their monetary policy strategy which was a useful first step. The Government hope to see further evidence from the ECB of a genuine commitment to openness.

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if it is his policy that the European Central Bank should adopt an inflation target; and if he will make a statement. [61064]

Ms Hewitt: In accordance with the Treaty, the primary objective of the ECB is to achieve price stability. The ECB announced on 13 October its intention to base monetary policy decisions on a wide range of economic and financial variables, including a monetary aggregate. This is typical of most central banks, including the Bank of England. The important issue is that the ECB meets it Treaty objective.

Income Tax

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if he will estimate the full-year revenue yield of introducing a new 50 per cent. rate of income tax on taxable income of over £100,000 per annum. [61196]

Dawn Primarolo: The estimated full year yield at 1998–99 income levels of introducing a 50 per cent. rate of income tax on taxable incomes over £100,000 per year is £2.0 billion.

Working Families Tax Credit

Mr. Ruane: To ask the Chancellor of the Exchequer if he will list the number of people likely to benefit from the working families tax credit in each parliamentary constituency in the United Kingdom. [61803]

Dawn Primarolo: I regret that estimates for individual constituencies are not available.

FOREIGN AND COMMONWEALTH AFFAIRS

Visa Applications

Mr. Gerrard: To ask the Secretary of State for Foreign and Commonwealth Affairs how many applications for visit visas have been refused at the high commissions in *(a)* Colombo, *(b)* Islamabad, *(c)* Delhi, *(d)* Accra and *(e)* Istanbul, and what proportion of total applications this represents, in each of the last four years, and in the current year to date. [61000]

Mr. Fatchett: The numbers of visit visas refused so far this year in *(a)* Colombo, *(b)* Islamabad, *(c)* Delhi, *(d)* Accra and *(e)* Istanbul are as follows:

January to October 1998

	Issued	*Refused*	*Percentage of total visit applications processed*
Colombo	11,950	427	3.4
Islamabad	32,429	6,249	16.2
Delhi	52,925	4,665	8.1
Accra	17,944	4,136	18.7
Istanbul	49,597	2,222	4.2

Global Entry Clearance Statistics for the years 1994–97 inclusive have recently been made available to the House of Commons Library. These contain the other information requested in respect of previous years.

Pakistan

Mr. Andy King: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations Her Majesty's Government plans to make to the Pakistan Government following the murder of a family of nine Christians in Nowshera Peshawar. [61003]

Mr. Fatchett: We were deeply shocked by the murder of nine members of a Christian family near Peshawar. The murders have been condemned by the Government of Pakistan. We and our European Union partners regularly urge the Government of Pakistan to protect the rights of religious minorities in their country, most recently at a meeting between Pakistan and the EU Troika on 25 November.

Sara Barhandi

Mr. Woolas: To ask the Secretary of State for Foreign and Commonwealth Affairs what progress he has made in ascertaining the whereabouts of Sara Barhandi, who was abducted from her home on 15 August. [60996]

Mr. Fatchett: The precise whereabouts of Sara Barhandi remain unknown. Our Vice Consul has contacted Sara's relatives in Morocco but they did not disclose here whereabouts.

Sara is a dual British/Moroccan national. While she is in Morocco our Embassy has no formal locus to intervene. Consular staff will, however, continue to offer as much support to Sara's mother as they properly can and make informal inquiries with the Moroccan authorities.

Federal Republic of Yugoslavia

Mr. Bradshaw: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about the export of armoured vehicles for use by the US and British embassies in the Federal Republic of Yugoslavia and the export of armoured vehicles and other non-lethal military equipment to the Kosovo Diplomatic Observers Mission in the Federal Republic of Yugoslavia. [62007]

Mr. Tony Lloyd: The Government has allowed the export to the Federal Republic of Yugoslavia (FRY) of eight armoured Land Rovers, for use by the US Embassy in Belgrade, and a further two armoured Land Rovers and an armoured Rover saloon for use by the British Embassy in Belgrade. We attach the highest priority to ensuring the safety of staff and personnel at our Embassy in Belgrade, and we rightly recognise that other diplomatic missions, like the US Embassy in Belgrade, attach high priority to the protection of their staff. We were therefore glad to be able to allow these exports, which are not caught by arms embargoes against the FRY.

In advance of the Organisation for Security and Co-operation in Europe's establishment of the Kosovo Verification Mission (KVM), the Government have allowed also the export of up to 30 armoured Land Rovers and other essential and non-lethal military equipment for use by observers at the British Embassy in Belgrade (known as the Kosovo Diplomatic Observers Mission, or KDOM). It is clearly important that British and other staff at KDOM should be protected in the course of their duties which include monitoring the enforcement of the arms embargo against the FRY. These personnel will, in due course, become members of KVM. The UN Sanctions Committee has raised no objection to these exports.

Argentina

Mrs. Gilroy: To ask the Secretary of State for Foreign and Commonwealth Affairs what new exceptions there have been to the arms embargo on Argentina. [62008]

Mr. Tony Lloyd: Licences have recently been issued to allow the following exports:

(a) two firearms (deactivated to Argentina specification) to a private individual in Argentina;

(b) nine sets of gun rings and smoke grenade launchers to be mounted on armoured personnel carriers in service with the Argentine contingent of the UN forces in Cyprus;

(c) re-export of radio equipment for the Argentine Gendarmeria after repair by the manufacturer in the United Kingdom;

(d) supply of radio equipment for the Argentina Gendarmeria.

These decisions represent exceptions but not changes to the arms embargo on Argentina, which remains in place unchanged.

Council of the European Union

Mrs. Gilroy: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the forthcoming business in the Council of the European Union for December and the major European Union events for the next six months. [62009]

Ms Quin: The information is as follows:

Forecast of business

		Business
December 1998		
1	Brussels	Transport Council (continuation from 30 November)
1	Brussels	ECOFIN Council
1–2	Brussels	Social Affairs Council
1	Brussels	Joint meeting of the ESA and ECOFIN Councils
3–4	Brussels	Justice and Home Affairs Council
4	Brussels	Education Council
7	Brussels	Internal Market Council
7–8	Brussels	General Affairs Council
10	Brussels	Research Council
11–12	Vienna	European Council
14–16	Brussels	Agriculture Council
17–18	Brussels	Fisheries Council
21	Brussels	Environment Council

The following subjects are likely to be discussed:

December 1: ECOFIN Council

Employment

Preparation for Stage 3 of EMU

Follow-up to the declaration of 2 May

Stability and convergence programmes

Agenda 2000

Taxes

December 1: Joint meeting of the Social Affairs and ECOFIN Councils

Report from the Presidency

Commission first draft of the 1999 Employment Guidelines (debate)

Joint report on Employment 1998 (adoption)

December 1 and 2: Social Affairs Council

Report from the Presidency on the preparation of the European Council (Vienna)

Commission first draft of the 1999 Employment Guidelines

Joint Report on Employment 1998 (debate)

Employment Rates Report

Draft Council Directive on employee involvement within the European Company—political agreement

Follow-up to the Beijing Conference on Women (the Council will take note of the annual Report)

Second phase of the Community vocational training programme Leonardo Da Vinci (legal basis: Article 127) (oral report from the Presidency)

Extension of 1408/71 (students and other insured persons) (political agreement)

Amended proposal for a Directive on the protection of workers potentially at risk from explosive atmospheres (legal basis: Article 118 A) (political agreement)

Proposal for a Council Decision relating to the Conclusion of an agreement between the EC and the Council of Europe (European Monitoring Centre on Racism and Xenophobia) (legal basis: Article 7(3) of Council Regulation No. 1035/97) (political agreement)

Amended proposal for a Council Directive amending for the second time Directive 90/394/EEC on the protection of workers from the risks related to exposure to carcinogens at work (legal basis: Article 118 A TEC) (political agreement)

Mid-term report on the Community programme concerning safety, hygiene and health at work (1996–2000) (debate)

Amended proposal for a decision on the promotion of European pathways for work-linked training, inc apprenticeships (legal basis: Article 127) (political agreement)

December 3 and 4: Justice and Home Affairs Council

Convention and protocol

Action plan to create an area of liberty, security and justice

Preparations for the entry into force of Amsterdam

Legal action on European solidarity

European migration strategy

Regulation on countries subject to visas

Enlargement: evaluation

Determination and classification of the Schengen legal situation

Incorporation of the Schengen information system in the EU legal framework

Progress report on work on the Convention on the admission of third-country nationals

Council Decision on monitoring the implementation of the instruments adopted in the field of asylum

Joint action on the approximation of legislation to combat counterfeiting (adoption)

Explanatory report on the Second Protocol to the Convention on the protection of financial interests (adoption)

Joint action on money laundering and confiscation

Joint action on combating corruption in the private sector (if not adopted in September)

Convention on mutual assistance in criminal matters

Revision of the Brussels and Lugano Conventions (progress report)

Rome II: Convention on the law applicable to non-contractual obligations (progress report)

Implementation of the CIS Convention

Driving disqualifications: explanatory report

Implementation of the joint action on synthetic drugs

Implementation of the joint action on the approximation of drug laws

Ratification of previous conventions (appeal to the Member States in line with recommendations 13 and 14 of the Action Plan and Cardiff follow-up)

Start-up report

Decision extending the mandate to terrorism

Document on the threat posed by terrorism

IRAQ: final report

Expert working party report on best practice

Report on measures to combat counterfeiting of the EURO

Council Resolution on the prevention of organised crime with reference to the establishment of a comprehensive strategy for combating it: adoption

OC annual report

Report to the European Council on implementation of the action plan to combat OC

Report on implementation of the Resolution on hooligans

Report on implementation of the Resolution of 18 December 1997 on priorities in the fields of justice and home affairs from 1 January 1998 until the entry into force of the Amsterdam Treaty

Article 18—Committee meeting (possible)

December 4: Education Council

Proposal for a European Parliament and Council decision establishing the second phase of the Community action programme "Socrates" (poss. common position)

Second phase of the Community vocational training programme Leonardo Da Vinci (legal basis: Article 127) (poss.) (common position)

Proposal for a Council decision adopting the third phase of the trans-European co-operation scheme for higher education (Tempus III) (poss. adoption)

(poss.) Action plan for the implementation of the Green Paper "Education, vocational training, research: obstacles to transnational mobility" (presentation by the Commission)

(poss.) Proposal for a Council recommendation on the statute of mobile students (included the transfer of Scholarships) (presentation by the Commission)

Report by the Commission on the implementation of pilot projects in the context of the objectives of the White Paper on education and training, "teaching and learning: towards the learning society" (presentation by the Commission and debate)

1999 National Employment Action Plans (debate)

December 7: Internal Market Council

European Company Statute

Free Movement of Goods—Intervention Mechanism

Proposal for an amending Directive concerning liability for defective products

Internal Market and Cardiff process of economic reform—presidency report

Proposal for a directive on certain legal aspects of electronic commerce (presentation by the Commission)

December 7–8: General Affairs Council

Agenda 2000

Enlargement

Preparation of Amsterdam Treaty Implementation

Russia

Human Rights: 50th Anniversary Celebration 10 December (poss.)

Preparation of the Vienna European Council

Asylum and Immigration Task Force

Council Working Methods

Western Balkans

Middle East Peace Process

Cuba

South Africa

Switzerland

Draft Regulation GSP for 1999–2000

Transatlantic Relations

December 10: Research Council

(poss.) Fifth EC RTD Framework programme (final adoption)

(poss.) Fifth Euratom Research Framework programme (final adoption)

(poss.) Fifth EC and Euratom Framework programmes—Specific programmes (final adoption)

(poss.) International Cooperation (poss. signature/conclusion of agreements with pre-accession CEECs and Cyprus, and other third countries)

December 11–12: European Council

No agenda yet available

December 14–16: Agriculture Council

No agenda yet available

December 17–18: Fisheries Council

Proposal for a Regulation setting TACs and Quotas for 1999 and related legislation (adoption)

(poss.) The Future of the Common Fisheries Policy (2002) (oral report by the Commission)

Council Regulation on the common organisation of the markets in the fisheries sector (presentation by the Commission)

(poss.) Funding of the collection of data of the common fisheries policy (presentation by the Commission)

Modification of Regulation 3699 on Structural Funds for Fisheries (IFOP) (presentation by the Commission)

December 21: Environment Council

(poss.) Draft proposal for a directive of the European Parliament and the Council amending directive 88/77/EEC on the approximation of the laws of the Member States relating to the measures to be taken against the emission of gaseous and particulate pollutants from diesel engines for use in vehicles (heavy goods vehicles) (common position)

Proposal for a European Parliament and Council Directive amending Directive 90/220/EEC on the deliberate release into the environment of genetically modified organisms (political agreement: EP Opinion expected in February)

(poss.) Proposal for a Council Directive on ozone-depleting substances (common position)

Proposal for a Council Decision on the monitoring of CO_2 emissions from passenger cars in the Community (common position)

Proposal for a Council Directive on the labelling of fuel consumption of passenger cars (common position)

Community strategy on climate change: follow-up to Buenos Aires (Council conclusions)

Proposal for a Council Directive on "end-of-life vehicles" (common position)

European calendar: December 1998-May 1999

Month		
December 1998		
1	Brussels	ECOFIN Council
1	Brussels	Transport Council
1	Brussels	Social Affairs and ECOFIN Council
1	Vienna	Parliamentary Heads
2	Brussels	Social Affairs Council
2–3	Brussels	European Parliament Plenary
3–4	Brussels	Justice and Home Affairs Council
4	Brussels	Education Council
7	Brussels	Political Committee
7	Brussels	Internal Market Council
7–8	Brussels	General Affairs Council
10	Brussels	Research Council
11	Vienna	Political Committee
11–12	Vienna	European Council

European calendar: December 1998-May 1999

Month		
14–16	Brussels	Agriculture Council
14–18	Strasbourg	European Parliament Plenary
17–18	Brussels	Fisheries Council
21	Brussels	Environment Council
January 1999		
1	Brussels	ECOFIN
11–15	Strasbourg	European Parliament Plenary
14	Brussels	Fisheries Council (possible)
18–19	Brussels	Agriculture Council
18	Brussels	ECOFIN
19	Brussels	Agriculture Council
25	Brussels	Political Committee
25–26	Brussels	General Affairs Council
27–28	Brussels	European Parliament Plenary
February 1999		
4–6	Bonn	Ministers for Labour & Social Affairs (Informal)
8	Brussels	ECOFIN
8–12	Strasbourg	European Parliament Plenary
11–12	Berlin	Ministers for Justice & Home Affairs (Informal)
18	Brussels	Research Council (possible)
22	Brussels	Political Committee
22–23	Brussels	General Affairs Council
22–23	Brussels	Agriculture Council
24–25	Brussels	European Parliament Plenary
25	Brussels	Internal Market
March 1999		
9	Brussels	Social Affairs Council
11–12	Brussels	Environment Council
12	Brussels	Justice & Home Affairs Council (possible)
13–14	Reinhartshausen	Foreign Ministers (Informal)
15	Brussels	ECOFIN
15–16	Brussels	Agriculture Council
18	Brussels	Education Council
22	Brussels	Political Committee
22–23	Brussels	General Affairs Council
24–25	Brussels	Special European Council
24–25	Frankfurt	Asia-Europe Finance Ministers
25	Brussels	Fisheries Council
29	Brussels	Transport Council
29–30	Berlin	Asia-Europe Foreign Ministers
April 1999		
13	Luxembourg	Consumer Affairs Council
15–16	Stuttgart	Barcelona III
16–18	Dresden	ECOFIN (Informal)
19–20	Luxembourg	Agriculture Council
22	Luxembourg	Telecommunications Council
23–25	Mecklenburg	Environment Ministers (Informal)
24–25	Luxembourg	NATO Summit
26–27	Luxembourg	General Affairs Council
29	Luxembourg	Industry Council
May 1999		
6	Brussels	EU-ACP Ministerial meeting
10	Brussels	ECOFIN
10	Brussels	Social Affairs Council
10	Bremen	WEU Council
10–11	Berlin	Trade Ministers (Informal)
11	Brussels	Energy Council
17–18	Brussels	General Affairs Council
17–18	Brussels	Agriculture Council
18–19	Weimar	Culture Ministers (Informal)
20	Brussels	Research Council
21	Brussels	Development Council
25	Brussels	Joint ECOFIN and Labour & Social Affairs Council
27	Brussels	Youth Council
27–28	Brussels	Justice & Home Affairs Council
31	Brussels	General Affairs Council
30 May-1 June	Dresden	Agriculture Ministers (Informal)

Note:

This calendar is primarily concerned with European Union matters, but certain other relevant events are also included. Events and dates quoted are based on the information available on the date of issue.

International Criminal Court

Mr. Bradshaw: To ask the Secretary of State for Foreign and Commonwealth Affairs when the United Kingdom will sign the Statute of the International Criminal Court. [62011]

Mr. Tony Lloyd: Our Permanent Representative to the United Nations in New York will sign the Statute of the Court today on behalf of the UK.

Official Hospitality (Wine)

Mr. Baker: To ask the Secretary of State for Foreign and Commonwealth Affairs what has been the total expenditure of the Government Hospitality Fund Advisory Committee for the Purchase of Wine since 1 May 1997; what is the average cost of each bottle purchased; and what percentage of wine purchased is of United Kingdom origin. [60940]

Mr. Fatchett: There has been no expenditure by the Government Hospitality Fund Advisory Committee for the Purchase of Wine. The Committee makes recommendations on quality only and is not involved with the purchase of wine.

Mr. Baker: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) what is the oldest bottle of wine held for Government hospitality purposes; [61517]

(2) what has been the most expensive bottle purchased on the recommendation of the Government Hospitality Fund Advisory Committee for the Purchase of Wine since 1 May 1997. [61515]

Mr. Fatchett: The purchasing policy for wines bought for the Government Hospitality cellar are the same as those that applied under previous Administrations. Wines are purchased to ensure availability at reasonable cost of appropriate wines suitable for the wide variety of functions organised by Government Hospitality.

The oldest wine in the cellar is a top grade Claret, Château Latour 1955. The most expensive bought since 1 May 1997, a Claret of equal quality, is Château La Fleur Petrus 1995, which cost £37.60 a bottle inclusive of VAT.

Mr. Baker: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the members of the Government Hospitality Fund Advisory Committee for the Purchase of Wine; how many times the committee has met since 1 May 1997; if its deliberations are a matter of public record; and if he will make a statement. [60941]

Mr. Fatchett: The Chairman of the Government Hospitality Fund Advisory Committee for the Purchase of Wine is Sir Ewen Fergusson; the four members are Mr. Anthony Hanson MW, Mr. Mark Savage MW, Mr. Sebastian Payne MW and Mr. John Avery MW. The Committee has met six times since 1 May 1997 and produced an Annual Report recording its work for 1997 which was published on 28 January 1998.

Pitcairn Island (Asbestos)

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will place in the Library a copy of the report from the Government of Pitcairn Island on the disposal of asbestos waste near the island. [61674]

Mr. Tony Lloyd: An urgent investigation into the circumstances of the incident is being carried out. When the information is available a report will be placed in the Libraries of the House.

Office Automation

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs when the replacement programme for office automation and telecommunications infrastructure will be completed. [61677]

Mr. Fatchett: The FCO's office automation replacement programme will be completed in 2000. The implementation schedule ensures that all FCO business critical computer systems will be millennium compliant, either by correction or replacement, before the end of 1999.

A private finance initiative contract that will provide a managed voice and massaging service between the FC and its overseas missions is in the final stages of negotiation. The contract, which is expected to be signed by mid February 1999, states that implementation of the full service will take 25 months from contract signature. But implementation has already started, under an Instruction to Proceed, in order to replace all non-millennium compliant telephone switchboards.

Sudan

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs what reply he has given to the invitation from the Sudanese Government for a United Kingdom verification mission to examine the Al-Shifa factory site. [61500]

Mr. Fatchett: A revised draft resolution on this issue has recently been submitted to the UN Security Council. We believe that this is the appropriate place for such suggestions to be considered.

We will continue to urge Sudan to become a party to the Chemical Weapons Convention, which prohibits the acquisition, development, production, stockpiling and use of chemical weapons. It is supported by a verification regime consisting of data declarations and on-site inspections.

Iraq

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will set out the legal authority on which the Government plan to take military action against Iraq are based. [61676]

Mr. Fatchett: The precise legal basis for any future military action will depend on the circumstances at the time, but any action taken by the Government will be lawful.

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the Iraqi opposition groups that ministers have met over the past four weeks. [61675]

Mr. Fatchett: I met representatives of the following Iraqi opposition groups on 23 November: Constitutional Monarchy Movement; Iraqi Democratic Party; Association of Iraqi Democrats; Assyrian Democratic Movement; Patriotic Union of Kurdistan; Turkoman National Democratic Movement; Islamic Accord Party; Kurdish Democratic Party; Ahl al-Bayt; Iraqi Reform Movement; Iraqi National Movement; Mr. al-Rubaie (Independent); Iraqi National Congress; Supreme Council for the Islamic Revolution in Iraq; Iraqi National Accord (Wifaq).

St. Helena

Dr. Marek: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to introduce freedom of information legislation on St. Helena. [61466]

Mr. Tony Lloyd: This is a matter for the St. Helena Government which have no plans to introduce such legislation.

SOCIAL SECURITY

National Insurance

Mr. Cousins: To ask the Secretary of State for Social Security if he has yet completed his review of National Insurance contributions for 1999–2000. [62006]

Mr. Darling: We have completed the annual review under Section 141 of the Social Security Administration Act 1992. Proposals will take effect from 6 April 1999 alongside the structural changes to National Insurance contributions announced by my right hon. Friend the Chancellor of the Exchequer in his Budget on 17 March 1998, *Official Report*, columns 1097–112, and re-affirmed in his Pre-Budget report on 3 November 1998, *Official Report*, columns 681–702.

Full details of the changes to the structure of employees and employers National Insurance contributions (NICs) from April 1999 are as follows:

(i) the NICs "entry fee" currently payable by employees once earnings reach the lower earnings limit (currently £64 a week) will be abolished, so that employees will not pay NICs on the portion of earnings at or below the lower earning limit;

(ii) employers will also no longer pay NICs on the portion of earnings at or below the lower earnings limit once earnings reach that level. The point at which employers start to pay NICs will be further increased to the level of the personal tax allowance. In practice, this will mean no employers' contributions will be payable on earnings up to and including £83 a week;

(iii) the 3 per cent., 5 per cent., 7 per cent. and 10 per cent. rates of employers' NICs for different levels of employees' earnings will be abolished and replaced with a single 12.2 per cent. rate of employer NICs payable on earnings above the level of the personal tax allowance;

(iv) to ensure employers with Contracted-out Salary Related Pension Schemes (COSRS) or Contracted-out Money Purchase Pension Schemes (COMPS) are entitled to the same level of NIC rebate, they will continue to be entitled to a rebate on earnings between the lower earnings limit and the personal tax allowance.

Employers and Employees

In line with the Social Security Contributions and Benefits Act 1992, the lower earnings limits for Class 1 contributions is to be raised to £66 a week. It is set at the level of the basic Retirement Pension rate for a single person from April 1999, rounded down to the nearest pound.

The upper earnings limit is to be raised to £500 a week which is slightly less than 7½ times the new basic pension rate as provided by the Social Security Contributions and Benefits Act. These new earnings limits will replace the current ones of £64 and £485 respectively.

Employees will pay a standard rate contribution of 10 per cent. on that portion of their earnings which exceeds the lower but not the upper earnings limit.

As announced by my right hon. Friend the Chancellor of the Exchequer in his 3 November Pre-Budget Report, the Earnings Threshold from which employers will start to pay secondary Class 1 contributions will be £83 a week.

The multiple contribution rates for employers will be replaced by a standard contribution rate of 12.2 per cent. on all earnings which exceed the earnings threshold.

Not Contracted Out Employees and their Employers

Employees will not have to pay any contributions on earnings at or below £66 a week. Employees whose earnings do not exceed £485 (the former upper earnings limit) will pay £1.48 a week less in contributions than at present. This is because the 2 per cent. entry fee on earnings up to the LEL has been removed and a further £2 of their weekly earnings will not be subject to any contributions rather than 10 per cent. For employees with earnings above £485 the maximum possible increase will be £0.02 a week.

Employers will not have to pay contributions on earnings below £83 a week.

Contracted Out Employees and their Employers

Employees whose earnings do not exceed £485 (the former upper earnings limit) will pay £1.44 a week less in contributions than at present. This is because the 2 per cent. entry fee on earnings up to the LEL has been removed and a further £2 of their weekly earnings will not be subject to any contributions rather than 8.4 per cent. For employees with earnings above £485 there will be no increase in contributions and the minimum possible reduction will be 18p a week.

Employers who operate a Contracted-Out Salary Related Scheme (COSR)

Where earnings are between £66 and £83 employers contributions will be reduced by £1.92 a week. This is due removal of the entry fee. Employers will pay a reduced rate of 9.2 per cent. on employee's earnings which exceed the Earnings Threshold.

Employers who operate a Contracted-Out Money Purchase Scheme (COMP)

Where earnings are between £66 and £83 employers contributions will be reduced by between £1.95 and £2.20 a week. This is due to the removal of the entry fee and the introduction of the Earnings Threshold which means that a further £19 of earnings is not subject to any contributions. Employers will pay a reduced rate of 11.6 per cent. on all earnings which exceed the Earnings Threshold.

Self-Employed People

The flat rate Class 2 contribution will be raised by 20p to £6.55 a week.

Self-employed people with profits less than a specified amount, known as the small earnings exception limit, can apply to be excepted from paying Class 2 contributions. This limit will be raised by £180 to £3,770.

There will be no change to the rate of Class 4 contributions which will remain at 6 per cent. The annual limits of profits between Class 4 contributions are paid will be raised to £7,530 and £26,000 from £7,310 and £25,220 respectively.

Self-employed people who pay only Class 2 contributions will pay an extra £10.40 a year in 1999–2000.

For people with profits between £7,530 and £25,220 (the former upper profits limit) Class 4 contributions will be reduced by £13.20 a year assuming an unaltered level of profits. For those self-employed people with profits at or above the new upper profits limit the annual charge for Class 4 contributions will be £33.60 higher.

Class 3 (Voluntary) Contributions

The rate of Class 3 contributions will be raised by 20p to £6.45 a week.

National Health Service Allocation

The allocation to the National Health Service is unchanged at 1.05 per cent. from employees and 0.9 per cent. from employers.

Treasury Grant

Although benefit expenditure from the National Insurance Fund will broadly match income, we need to ensure that the Fund can maintain a prudent working balance throughout the coming year. In accordance with Section 2(2) of the Social Security Act 1993, we propose to do so by prescribing that the maximum Treasury Grant which may be available to the Fund in 1999–2000 shall not exceed 2 per cent. of the estimated benefit expenditure from the Fund for that year.

NIC Holiday Scheme

Finally, we also propose to restrict the employers' NIC Holiday scheme to employments which begin on or before 31 March 1999. This will effectively close down the scheme from 1 April 1999, except for Holidays which are already in place and may therefore run on for up to a year after that date.

The NIC Holiday was introduced by the previous administration to encourage employers to take on long-term unemployed people. It has had no appreciable effect on employers' recruitment practices. Our New Deal for the long-term unemployed now provides employers with better and more substantial incentives to recruit long-term employed people. This, together with the reduction that employers will see in their National Insurance contributions for almost all employees earning up to about £450 a week from April 1999, means that it is time for the NIC Holiday to go.

Regulations to give effect to this proposal will be laid before Parliament in due course. We shall be laying a Draft Re-rating Order before Parliament together with a report by the Government Actuary describing the effects of the re-rating proposals on the National Insurance Fund.

Benefit Integrity Project

Mrs. Fyfe: To ask the Secretary of State for Social Security how many life awards have been found to be unjustified by the Benefit Integrity Project; and how many were later upheld on appeal. [60916]

Mr. Timms: The administration of the Benefit Integrity Project is a matter for Peter Mathison, the Chief Executive of the Benefits Agency. He will write to my hon. Friend.

Letter from Peter Mathison to Mrs. Maria Fyfe, dated 27 November 1998:

The Secretary of State has asked me to reply to your recent Parliamentary Question asking how many life awards have been found to be unjustified by the Benefit Integrity Project (BIP); and how many were later upheld on appeal.

Such information as is available regarding the changes made to life awards following BIP action is shown in the table. The data includes changes to the rate of benefit in addition to changes to the length of the award.

Where evidence of change does become available, as it may well do through BIP enquiries, a life award is reviewed in the normal way and benefit may increase or decrease. People do, of course, have full rights of review and appeal as they do with any change to benefit entitlement.

I hope you find this reply helpful.

Changes made to life awards

	Total
Life award changed to:	
Award still for life but rate changed	7,191
Awarded for a limited period and rate changed	316
Award remains at same rate but for a limited period	233
Benefit disallowed altogether	14,987
Total	22,727
Decision maintained on review	9,118
Decision not maintained on review	6,517
Decision maintained on appeal	483
Decision not maintained on appeal	816

Notes:
1. Figures are up to and including 30 September 1998
2. The figures are provisional and subject to change

Source:
Benefit Integrity Project database

Lone Parents

Mr. Duncan Smith: To ask the Secretary of State for Social Security whether sanctions will be imposed on lone parents if, under the proposed single gateway to benefit, they agree to have an interview in order to qualify for benefit, but then fail to attend that interview; and what form those sanctions will take. [61693]

Angela Eagle: As part of the process for claiming Social Security benefits, people of working age will be required to attend a Single Gateway interview. A person who does not attend the interview will not have completed the claim process, and benefit will not be payable. For certain categories of people the requirement to attend an interview will be deferred, and benefit will be awarded in the normal way.

Widows' Benefits

Mr. Rendel: To ask the Secretary of State for Social Security what savings the Government expects as a result of the transfer of the SERPS element of the widow's pension to payment under the widowed parent's allowance. [61457]

Angela Eagle: Under our proposals, there would be no transfer of SERPS additional Pension between different categories of widows.

Mr. Rendel: To ask the Secretary of State for Social Security if his Department will provide a breakdown of the savings expected as a result of the changes to widows' benefits. [61456]

Angela Eagle: The information is in the table.

Breakdown of the estimated costs and savings associated with the proposed reforms of bereavement benefits

£ million (1998–99 benefit rates)

	2001–2	2002–3	2003–4	2020
Increase widow's payment to £2,000 and extend to men	70	70	70	50
Introduce Bereavement Allowance and extend to men	*	−50	−100	−600
Extend Widowed Parent's Allowance to new widowers	*	10	20	50
Extend Widowed Parent's Allowance to existing widowers	50	40	40	0
£10 disregard of Widowed Parent's Allowance in means-tested benefits	10	10	10	**
Premium for older widows in means-tested benefits	*	10	10	0
Total	140	100	50	−500

Notes:

1. + cost; − saving
2. Estimates are presented net of means-tested benefit offsets, in line with those in "A new contract for welfare: support in bereavement". Means-tested benefit offsets were estimated using the 1995–96 Family Resources Survey and the Income Support Quarterly Statistical Enquiries. They assume a constant offset ratio in order to provide illustrative estimates for 2020.
3. The underlying contributory benefit effects have been provided by the Government Actuary's Department.
4. Estimates for the first three years are rounded to the nearest £10 million. * denotes negligible i.e. less than +/− £5 million.
5. Estimates for 2020 provide broad orders of magnitude and are rounded to the nearest £50 million. ** denotes less than £25 million.
6. Total may not sum due to rounding.

Mr. Duncan Smith: To ask the Secretary of State for Social Security what would be the total payment in widow's benefits to a woman, without dependent children, widowed at the age of 45 years who claims the benefits until she becomes eligible for the state pension, including the widow's payment, the graduated widow's pension between 45 and 54 years and the full widow's pension. [61691]

Angela Eagle: A 45 year old woman without children who was widowed in 1998–99 would receive a one-off Widow's Payment of £1,000 and an age-related Widow's Pension of £19.41 a week (1998–99 benefit rates) for 18 years until she reached State pension age in 2016. The total would be £19,200. In addition, she may be entitled to SERPS which would be based on her late husband's NI contribution record.

Notes:

1. The estimate assumes that the contribution record of the husband meets the relevant contribution conditions, and that the woman continues to meet the qualifying conditions for receipt of Widow's Pension.
2. The estimate is in 1998–99 benefit rates and is rounded to the nearest £100.
3. Between 2010 and 2020 female State pension age will be raised until it is in line with male State pension age.

Benefits (Expenditure)

Mr. Rendel: To ask the Secretary of State for Social Security what factors underlie the forecast reduction in social security spending in the pre-Budget report. [61455]

Mr. Darling: The forecasts of Social Security expenditure published in the Pre-Budget Report were revised to reflect new economic assumptions and the effects of more active management of the caseload.

Mr. Rendel: To ask the Secretary of State for Social Security what account he has taken of any rise in unemployment in forecasting expenditure on social security benefits over the next three years. [61454]

Mr. Darling: Forecasts of Social Security benefit expenditure in the Pre-Budget Report take into account a number of relevant economic assumptions provided by the Treasury, including the level of unemployment set out in paragraph B9 of the Report.

Child Support Agency

Mr. Rendel: To ask the Secretary of State for Social Security how many parents with care on means tested benefits are currently subject to a reduced benefit direction of 40 per cent. as a result of a non co-operation with the Child Support Agency. [61444]

Angela Eagle: All children have the right to the support of both their parents wherever they may live. Where the taxpayer is providing substantial support for children who live in lone parent families, it is right that the parent with care should normally seek child support.

Parents with care in receipt of a relevant benefit who fail to co-operate with the Child Support Agency without good cause are subject to a benefit penalty, known as a reduced benefit direction, worth 40 per cent. of the adult Income Support personal allowance. This penalty lasts initially for three years and it may be renewed immediately if the parent with care continues to fail to co-operate.

The latest available information is from the May 1998 Income Support Statistics Quarterly Enquiries which show that 7,000 parents with care on Income Support were subject to a 40 per cent. reduction.

Figures for parents with care in receipt of Family Credit or Disability Working Allowance who are subject to a benefit reduction are not available.

The number of parents with care in receipt of Jobseeker's Allowance who have a reduced benefit direction is too small to measure accurately.

Mr. Rendel: To ask the Secretary of State for Social Security how many children in families where the parent with care receives means tested benefits are in receipt of maintenance from the non-resident parent, for each region. [61451]

Angela Eagle: The information is in the table.

On 31 August 1998 we estimated that 491,400 parents with care with a full child support assessment were receiving a means tested benefit. Of these cases 108,920 received maintenance paid through the Child Support Agency (CSA) in the quarter ending 31 August 1998 and a further 71,160 had maintenance arranged for payment direct from the non-resident parent.

Parents with care by region of residence

Region of residence	Payment through CSA		Direct payment arrangement	
	Estimated number of PWCs	Estimated number of children[1]	Estimated number of PWCs	Estimated number of children
Unknown	980	1,640	1,040	1,380
North East	8,080	12,600	4,340	6,660
North West	13,720	20,560	8,040	12,540
Merseyside	2,760	3,900	2,380	3,960
Yorks and Humberside	10,280	15,680	5,760	9,060
East Midlands	7,140	11,280	4,080	6,340
West Midlands	10,780	16,020	6,640	10,720
Eastern	7,540	12,020	5,160	8,400
London	7,280	11,280	4,600	7,540
South East	12,500	20,820	8,640	13,960
South West	9,500	15,600	8,000	13,300
Wales	8,520	12,560	5,940	9,000
Scotland	9,840	15,200	6,540	10,120
Total	108,920	169,160	71,160	112,980

[1] The estimate of the number of children is based on the average of 1.6 children per family

Source:
CSA Quarterly Summary of Statistics, August 1998

Income Support

Mr. Rendel: To ask the Secretary of State for Social Security if he will estimate what the lower and upper capital limits for income support would be in April 1999 if they had been uprated by *(a)* prices and *(b)* the higher of earnings or prices since introduction. [61460]

Angela Eagle: The value of the lower capital limit was set at £3,000 in April 1988. In April 1999 it would be £4,825 if it had been uprated by the RPI and £4,610 if it had been uprated by the ROSSI.

The value of the upper capital limit was set at £8,000 in April 1990. In April 1999 it would be £11,291 if it had been uprated by the RPI and £11,160 if it had been uprated by the ROSSI[1].

If the limits had been uprated by the higher of prices and earnings, in April 1998[2] the lower capital limit would be £5,426 and the upper capital limit would be £12,124.

[1] This uprating has been carried out from the respective start dates of the capital limit rates up to September 1998 (which corresponds with April 1999 benefit rates).

[2] The publication of the Average Earnings Index for September 1998 has been delayed by ONS while they conduct a review of the Index. Uprating has therefore been calculated up to April 1998.

Notes:

1. The figures have been rounded to the nearest pound.

2. The figures exclude residential care and nursing home cases, for which the capital limits are £10,000 and £16,000.

Ms Harman: To ask the Secretary of State for Social Security what the average payment is per week for a lone parent on income support with *(a)* one child, *(b)* two children and *(c)* three children. [61730]

Angela Eagle: The information is in the table.

Average weekly amount of Income Support to lone parents on Income Support by number of dependants—May 1998

Family size	Number	Average amount £ per week
All families	961,000	79.67
1 dependant	434,000	69.63
2 dependants	318,000	81.85
3 dependants	143,000	92.48

Notes:

1. Lone parents are defined as those single people with dependants who are not in receipt of a disability or pensioner premium
2. Includes dependants aged 16–18
3. Figures are based on a 5 per cent. sample and as such are subject to a degree of sampling error
4. Numbers of lone parents are rounded to the nearest thousand
5. Families with 1 to 3 dependants do not sum to the total for all families as there are also families with 4 or more dependants in receipt of Family Credit

Disability Benefits

Mr. Duncan Smith: To ask the Secretary of State for Social Security how many new claims for disability living allowance and attendance allowance were made in each month between September 1996 and September 1998. [61692]

Mr. Timms: The information is in the table.

New claims for disability benefits

	Disability Living Allowance	Attendance Allowance
1996		
September	43,190	37,315
October	48,468	41,467
November	42,545	36,637
December	33,541	30,093
1997		
January	39,699	36,568
February	42,420	40,669
March	42,162	37,692
April	45,988	42,078
May	42,617	37,127
June	43,487	36,129
July	44,434	36,593
August	36,435	31,449
September	40,198	33,035

New claims for disability benefits

	Disability Living Allowance	*Attendance Allowance*
October	42,612	36,793
November	37,022	33,084
December	31,179	28,235
1998		
January	29,764	29,610
February	31,634	32,320
March	35,989	35,797
April	32,181	34,657
May	29,747	32,444
June	34,197	35,145
July	36,890	37,234
August	31,180	32,440
September	34,991	34,737

Source:
Analytical Services Division: 100 per cent. data

Family Credit

Ms Harman: To ask the Secretary of State for Social Security how many families are in receipt of family credit with *(a)* one child, *(b)* two children and *(c)* three children. [61734]

Angela Eagle: The information is in the table.

Family Credit families by number of children

	Number receiving Family Credit
All families	767,000
1 child	292,000
2 children	271,000
3 children	135,000

Notes:
1. Figures based on a 5 per cent. sample of Family Credit awards and as such are subject to a degree of sampling error.
2. Figures are rounded to the nearest thousand and may not sum due to totals.
3. Figures include dependants aged 16–18 who are included in the calculation of the Family Credit award.
4. Families with 1 to 3 children do not sum to the total for all families as there are also families with 4 or more children in receipt of Family Credit.

Source:
Family Credit Quarterly Statistical Enquiry May 1998

Ms Harman: To ask the Secretary of State for Social Security how many babies were born in families which were *(a)* already in receipt of family credit and *(b)* qualified for family credit as a result of the baby's birth in each of the last three years. [61732]

Angela Eagle: Information is not available in the format requested. Such information as is available is in the table.

Children born into families with Family Credit 1995–98

	Children born into families in receipt of Family Credit	*New Family Credit claimants with a child aged under one*
1995–96	23,000	70,000
1996–97	28,000	75,000
1997–98	29,000	71,000

Notes:
1. It is not possible to identify families who qualify for Family Credit as the result of the birth of a baby; however, information is available on the number of families who make a new claim to Family Credit and who have a child aged under one.
2. The number of children born into families may include a number who are adopted. It is not possible to identify whether a child entering a benefit unit is the natural child of the parents, or an adopted child.
3. Estimates of the number of children born into families whilst they are in receipt of Family Credit may be subject to an undercount as it has not been possible to accurately identify the number of multiple births children. It is not anticipated that this would greatly increase the estimates.
4. Numbers are rounded to the nearest thousand and may not sum due to totals.
5. Each year is representative of the period June to May inclusive.

Source:
Family Credit Quarterly Statistical Enquiry May 1998

Ms Harman: To ask the Secretary of State for Social Security what the average weekly income is for families in receipt of family credit broken down between the amount received in (i) pay and (ii) family credit for a two-parent family with *(a)* one child, *(b)* two children and *(c)* three children. [61728]

Angela Eagle: The information is in the table.

Average weekly income of two-parent Family Credit recipients split by number of children, net earnings and weekly Family Credit

Number of children	*Number of cases*	*Total average income from net earnings and weekly Family Credit (£)*	*Average net earnings (£)*	*Average weekly Family Credit (£)*
All couples	390,000	167.33	108.41	58.93
1 child	98,000	145.82	101.86	43.96
2 children	142,000	161.23	107.01	54.22
3 children	92,000	178.42	113.47	64.95

Notes:
1. Figures based on a 5 per cent. sample of Family Credit awards and as such are subject to a degree of sampling error.
2. Figures are rounded to the nearest thousand and may not sum due to totals.
3. Figures do not include income from other benefits, e.g. Child Benefit, Housing Benefit and Council Tax Benefit.
4. Figures include dependants aged 16–18 who are included in the calculation of the Family Credit award.
5. Couples with 1 to 3 children do not sum to the total for all couples as there are also couples with 4 or more children in receipt of Family Credit.

Source:
May 1998 Family Credit Quarterly Statistical Enquiry.

Ms Harman: To ask the Secretary of State for Social Security how many *(a)* men and *(b)* women are in receipt of family credit with (i) one child, (ii) two children, and *(c)* three children. [61733]

Angela Eagle: The information is not available in the format requested. Such information as is available is in the table.

Family Credit families by gender of main earner and number of children

Status	*Number in receipt of Family Credit*
All families	767,000
Male main earner	
1 child	80,000
2 children	110,000
3 children	75,000

Family Credit families by gender of main earner and number of children

Status	*Number in receipt of Family Credit*
Female main earner	
1 child	212,000
2 children	160,000
3 children	60,000

Notes:
1. Main earner is either the Family Credit claimant, or the partner.
2. Figures based on a 5 per cent. sample of Family Credit awards and as such are subject to a degree of sampling error.
3. Figures are rounded to the nearest thousand and may not sum due to totals.
4. Figures include dependants aged 16–18 who are included in the calculation of the Family Credit award.
5. Families with 1 to 3 children do not sum to the total for all families as there are also families with 4 or more children in receipt of Family Credit.

Source:
Family Credit Quarterly Statistical Enquiry, May 1998.

Social Fund Maternity Grant

Ms Harman: To ask the Secretary of State for Social Security what the total amount paid out in social fund maternity grant was in the last year for which figures are available; and how many people received the social fund maternity grant. [61731]

Angela Eagle: During the year ending March 1998, 197,000 Maternity Payments were made at a total cost of £20 million.

AGRICULTURE, FISHERIES AND FOOD

Pork Products

Miss McIntosh: To ask the Minister of Agriculture, Fisheries and Food what representations he has received calling for pork and pork products sold in United Kingdom stores from 1 January 1999 to conform to UK standards set by his Department, with particular reference to *(a)* bacon, *(b)* ham, *(c)* gammon, *(d)* pork pies, *(e)* sausages and *(f)* other cooked and processed meats. [61160]

Mr. Rooker: We have received a number of representations, both from representative organisations and from individual pig producers. At a meeting earlier this month, the major retailers voluntarily gave the following assurances on sourcing to my right hon. Friend the Minister:

- own label fresh pork, bacon, ham, sausages and pork pies will come from stall and tether and MBM free systems. This assurance already applies to fresh pork and bacon, and is in the process of being extended to cover ham, sausages and pork pies; and,
- they will not sell imported fresh meat processed or packaged in the UK under a British label.

The major retailers also told my right hon. Friend that they were doing further work to develop their policies.

I am sure that these undertaking will be welcomed by the British pigmeat industry.

Pesticides

Mr. Flight: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the comparative costs of achieving label approval and registration of pesticides in *(a)* the United Kingdom and *(b)* other EU countries; and what assessment he has made of the factors underlying the differences. [61181]

Mr. Rooker: All European Union countries regulate the safety and efficacy of agricultural pesticides on the basis of scientific data. For the most part, these data are provided by the companies concerned. The cost of generating data will therefore differ between countries according to the standards of safety and efficacy applied in each. EU countries also differ in their policy on charging companies for the costs of the work done by the regulatory authorities. Of the two sources of costs to industry, the cost of generating the data will normally be much greater than the fee.

The UK is thorough in its evaluation and recovers its full costs, mostly by means of fees which vary from £10 to £65,700 depending upon the type of application. Where regimes are less rigorous or do not recover the full costs of evaluation, the total cost to companies may be lower.

Under the framework of Council Directive 91/414, regulatory standards are being harmonised at a high level very similar to that presently applying in the UK. At present, Directive 91/414 does not require countries to recover their costs but the UK has pressed for such a requirement to be introduced.

Dairy Products

Mr. Martlew: To ask the Minister of Agriculture, Fisheries and Food when he expects the ban on dairy products to be lifted by the Saudi Arabian Government; and if he will make a statement. [61422]

Mr. Rooker: The Saudi Arabian ban on United Kingdom dairy products was introduced in June 1996. The Government are making strenuous efforts to get the ban lifted.

Artificial Inseminators

Mr. Corbett: To ask the Minister of Agriculture, Fisheries and Food what proposals he has to regulate unqualified artificial inseminators. [60919]

Mr. Rooker *[holding answer 27 November 1998]:* Discussions are continuing with the Royal College of Veterinary Surgeons about a number of issues in relation to veterinary surgery, including the insemination of livestock by unqualified lay people.

Oilseed Rape

Mr. Purchase: To ask the Minister of Agriculture, Fisheries and Food if he will introduce guidelines on the cultivation of oilseed rape in relation to its proximity to domestic dwellings. [61510]

Mr. Rooker: A report by the Institute for Environment and Health in 1997, based on the most recent scientific research, found that oilseed rape may cause respiratory problems in certain people who already suffer from other allergy and respiratory problems. Currently available data suggest that allergic responses to oilseed rape make very little contribution to the burden of allergy in the United Kingdom. On the basis of its size and very limited distribution into the air, oilseed rape pollen does not

contribute greatly to the total amount of pollen present in the general environment at the time oilseed rape flowers. We are, however, considering areas for further research suggested by the report but at present have no plans to introduce guidelines on the cultivation of the crop.

Beef Bones

Mr. Blizzard: To ask the Minister of Agriculture, Fisheries and Food when he expects to receive further scientific advice on the public health risk from beef bones from the Spongiform Encephalopathy Advisory Committee. [61834]

Mr. Nick Brown: The Spongiform Encephalopathy Advisory Committee (SEAC) reviewed its assessment of the risk of bovine spongiform encephalopathy infectivity in the dorsal root ganglia and bone marrow of cattle when it met on 9 November. I have now received the Committee's scientific report, which is being published today.

The report is now being considered within Government and in particular by the Chief Medical Officer who will advise Ministers shortly. In addition, we need to take account of the potential effects of the EU Commission's recent proposal for Community-wide controls on Specified Risk Materials. Once this process of consideration is complete, there will be a further announcement about UK controls on bone in beef.

Copies of SEAC's scientific assessment are being placed in the Libraries of the House and are being made widely available, including on the Ministry's Internet website, with the purpose of informing debate.

Agricultural Wages Board

Mr. Flight: To ask the Minister of Agriculture, Fisheries and Food what effect the introduction of *(a)* the Working Time Directive and *(b)* the minimum wage will have on the role of the Agricultural Wages Board, [illegible]tural Growers. [61178]

Mr. Rooker: The Agricultural Wages Board cannot set wage rates or terms and conditions of employment that are less generous than provided for in wider employment law such as the Working Time Regulations and the National Minimum Wage Act 1998. The changes from these two new pieces of legislation will impact on all employers of agricultural workers but are likely to be of most significance to those sectors, such as horticulture, which employ large numbers of casual workers.

Equine Dentists

Mr. Corbett: To ask the Minister of Agriculture, Fisheries and Food what proposals he has to regulate equine dentists. [60920]

Mr. Morley *[holding answer 27 November 1998]:* Those equine dental procedures that are considered to be acts of veterinary surgery may be undertaken only by a registered veterinary surgeon or by a registered dentist at the request of a veterinary surgeon.

Sir Sydney Chapman: To ask the Minister of Agriculture, Fisheries and Food what plans he has to protect horses from unqualified people acting as equine dentists and supervising artificial insemination; and if he will make a statement on the regulation of this area. [60970]

Mr. Rooker: Discussions are continuing with the Royal College of Veterinary Surgeons about a number of issues in relation to veterinary surgery, including the insemination of livestock and the practise of equine dentistry, by unqualified lay people.

Genetically Modified Food

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the activities of the United States Government in promoting the interests of the genetically modified food industry based in the United States of America; what pressure has been applied by the United States Government to his Department directly or indirectly in this respect; and if he will make a statement. [60931]

Mr. Rooker: No specific assessment of the United States' trade promotion activities relating to genetically modified (GM) foods has been made by this Department. However, the US is a major exporter of agricultural commodities and food, which include GM crops and foods containing ingredients derived from genetically modified organisms, and it is known that the US Government, like all governments, engage in trade promotion activity.

Any organisation which wishes to market GM crops or foods in the EU must meet the rigorous safety assessment requirements established under EC regulatory frameworks governing market approval for such crops and food. No pressure of any sort has been applied by the US Government on this Department in respect of GM crops or foods.

Kent and Essex Sea Fisheries Committee

Mr. Jenkin: To ask the Minister of Agriculture, Fisheries and Food what support he will give to the Kent and Essex Sea Fisheries Committee to replace their sea fisheries protection vessel; and if he will support their application for EU funding. [61630]

Mr. Morley: Council Decision 95/527/EC provides for Community funding of certain expenditure incurred by Member States in monitoring the application of the Common Fisheries Policy. Applications for funding are routed through the Ministry but decisions on eligible expenditure, the rate of Community financial contribution, and the conditions to which contributions may be subject are determined by the Commission in accordance with the procedure laid down in Article 18 of Council Regulation (EEC) No. 3760/92.

Written Answers to Questions

Tuesday 1 December 1998

ENVIRONMENT, TRANSPORT AND THE REGIONS

Planning Inspectors (Charges)

Sir Nicholas Lyell: To ask the Secretary of State for the Environment, Transport and the Regions what recent percentage increases there have been in the daily rates charged for planning inspectors conducting inquiries into local plans and other planning inquiries; and if he will make a statement. [61188]

Mr. Raynsford: I have asked the Planning Inspectorate's Chief Executive, Mr. Chris Shepley, to write to the right hon. and learned Member.

Letter from David Hanchet to Sir Nicholas Lyell, dated 1 December 1998:

The Secretary of State has asked Chris Shepley to reply to your Question about the daily rates charged for Planning Inspectors. I am replying in his absence today on official business.

The Planning Inspectorate makes charges for two categories of inquiry held by our Inspectors. The fee for conducting local plan inquiries was set at £340 per day in February 1996, and the fee for conducting other planning inquiries under various items of legislation was set at £350 per day in October 1994.

A review of the fees has shown that under our previous methodology the full costs of the service were not being recovered. As a result, new fees of £430 per day for local plan inquiries and £492 for the other recoverable inquiries are now planned (increases of 26.5% and 40.6% respectively).

Although these are significant it is important to remember that

a. the service was effectively being subsided in the past;

b. there have been no increases for nearly 3 years in one case and over 4 in the other;

c. although the daily rate has increased, the service provided has become steadily more efficient through a variety of management measures taken by the Planning Inspectorate. As a result, the actual duration of inquiries, and therefore the number of chargeable days, has reduced.

Sites of Special Scientific Interest

Mr. Randall: To ask the Secretary of State for the Environment, Transport and the Regions if the policies applied by English Partnerships when deciding whether to fund development proposals affecting sites of special scientific interest are to be reviewed following the release of the consultation paper on better protection and management of SSSIs. [61006]

Mr. Meale: English Partnerships is currently reviewing all aspects of its environmental policy, including that on development proposals affecting SSSIs. This review is taking account of the commitments set out in my department's consultation document "Better Protection and Management of SSSIs", that Government Departments and agencies publish statements of commitment, or sign appropriate memoranda of understanding with DETR, in relation to the obligation to secure the protection and positive management of special sites for which they are responsible.

The review will result in the production of new internal guidance, which will include more specific advice on how the Agency operates on land close to, or within, SSSIs and other environmentally sensitive areas. A copy of this will be placed in the Library of the House when available.

Housing Sounding Board

Dr. Lynne Jones: To ask the Secretary of State for the Environment, Transport and the Regions how many tenant representatives there are on the Housing Sounding Board. [61427]

Ms Armstrong: I established the Housing Sounding Board in December last year to discuss a number of housing issues. Members of the Board have a wide range of experience in housing and related issues and serve in a personal capacity. The current members are:

Chris Holmes, Shelter

Alan Kilburn, formerly of Home Housing Association

Steve Mycio, Manchester City Council

Mike Ockenden, Barclays

Anne Power, London School of Economics

Heather Rabbatts, Lambeth Borough Council

Steve Wilcox, University of York and HACAS

Neale Coleman, Paddington Consultancy Partnership

Steve Hilditch, Paddington Consultancy Partnership.

As the Board nears the end of its first year, I am reviewing its future purposes and membership. As part of that review, I will be considering tenant and other representation.

Council Tax

Mr. O'Hara: To ask the Secretary of State for the Environment, Transport and the Regions what would have been the additional increase in the council tax at Band D of each local authority in 1998–99 if the proposed council tax limitation scheme had been introduced this year, assuming the limit had been set at five per cent. over 1997–98. [61666]

Ms Armstrong: We have abolished crude and universal capping and have not proposed a council tax limitation scheme for 1999–2000 or subsequent years. We will be taking reserve powers to limit council taxes in the Local Government Bill published on 1 December 1998.

Local Government (Honorary Freedoms)

Mr. Keetch: To ask the Secretary of State for the Environment, Transport and the Regions if he will confer upon charter trustees and town councils the powers contained in section 249 of the Local Government Act 1972 in respect to the conferring of honorary freedoms. [61833]

Mr. Raynsford: No. I am advised that for my right hon. Friend to extend the powers in section 249 of the Local Government Act 1972 to include charter trustees and town councils would be unusual, unexpected and inappropriate. We have no plans for further legislation in this field.

Train Operating Companies

Mr. Burstow: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the outcome of his meeting with train operating companies. [61938]

Dr. Reid: The Deputy Prime Minister, the Minister for Transport in London and I met representatives from the rail franchisees and Railtrack on November 26. The meeting was frank and constructive. It represented a significant first step aimed at delivering improvements to passengers.

The Government believe, and the industry accepts, that the target must be progressive, year-on-year improvement in performance. Measures identified to improve service in the short term included the recruitment and training of 800 drivers and the introduction over the next year of 500 new vehicles, of which about half will be additional to the current fleet. There will be a wider-ranging National Railways Summit next February to build on measures and actions identified at this first meeting.

Aircraft Noise

Mrs. May: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the research on the effect of aircraft noise on sleep disturbance which his Department has commissioned, indicating sites chosen for noise trials. [61974]

Ms Glenda Jackson: We have commissioned a research trial on the effect of aircraft noise on sleep disturbance. This trial is to assess analytical techniques and methodology, and their limitations, to help us decide whether to proceed with a full-scale study either of sleep prevention or of total sleep loss, and to determine what should be included in any such study. The trial will involve taking measurements of people sleeping in their own homes and will be based at Manchester Airport, which provides a suitable combination of densely populated communities close to the airport with a spread of aircraft noise throughout the night. It may be extended to Heathrow if actual noise levels in the early morning at Manchester prove insufficient for the purposes of the trial. No specific sites have been selected yet. The steering group for the study includes representatives of the consultative committees from Manchester, Heathrow, Gatwick and Stansted, along with the airport management, airlines and environmentalists.

Tourism

Mr. Laurence Robertson: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to include provision for spending on tourism in the Standard Spending Assessment. [61086]

Ms Armstrong: The element of the Standard Spending Assessments for Environmental, Protective and Cultural Services (formerly known as "Other Services"), makes allowance for spending on a group of services which includes tourism.

Small and Medium Businesses

Mr. Singh: To ask the Secretary of State for the Environment, Transport and the Regions what steps the Government are taking to help small and medium businesses improve their environmental performance. [62215]

Mr. Meacher: By setting up a single environment and energy helpline (0800 58 57 94), the Government are making it very much easier for SMEs to find out how they can improve their environmental performance. The Helpline, which will be run under the auspices of the Government's Energy Efficiency and Environmental Technology Best Practice Programmes, will come into operation today. It will provide callers with free access to:

- impartial best practice information
- up to two hours telephone assistance from an energy or environment expert; and, where it would be beneficial
- on-site technical advice, where this would be beneficial and worthwhile.

Small and medium businesses are an important part of the UK economy. There are about 3M firms, 80,000 of which employ 20 to 250 people. They employ around 4 million people and have a turnover of £4 billion. They are also responsible for one-third of the carbon dioxide emissions from business and a significant proportion of other waste. Smaller companies therefore have a significant role to play to help meet our climate change targets.

There can be significant benefits in improving environmental performance for companies of all sizes. On average, a fifth of energy and a quarter of a company's waste can be avoided cost-effectively. Saving resources saves money and improves competitiveness—gain, not pain. The Government's two Best Practice Programmes provide authoritative advice on how to improve environmental and energy efficiency performance. For business, there are competitiveness advantage. And, for everyone, there are environmental advantages. The Energy Efficiency Best Practice Programme, for example, has helped to save energy worth around £650 million a year and consequently 3.25 million tonnes of carbon—across the nation.

To ensure this new initiative is a success, the helpline will be closely co-ordinated with Government Office Regional Energy and Environmental Management Contacts (REEMCs), Business Links, green business clubs, the Energy Saving Trust's Energy Efficiency Advice Centres, the Environment Agency's regional offices, Training and Enterprise Councils and local authorities.

Millennium Dome (Transport)

Mr. Peter Ainsworth: To ask the Secretary of State for the Environment, Transport and the Regions what discussions he has held with *(a)* Greenwich Council, *(b)* London Underground and *(c)* the Port of London Authority over contingency plans for transport to the Millennium Dome. [61980]

Dr. Reid: My hon. Friend the Minister for Transport in London, through her Millennium Access Co-ordination Group, asked London Underground Limited to lead the production of contingency plans for transport to the Millennium Dome, and keep the group informed of progress. Progress was presented to the group in October, at which time there was discussions on how the work was progressing and next steps.

My hon. Friend has had no discussions with the Borough of Greenwich or the Port of London Authority on contingency planning. The Borough of Greenwich has, however, recently become a member of the Millennium Access group and will therefore participate in future discussions on this work.

Connex

Mr. Burstow: To ask the Secretary of State for the Environment, Transport and the Regions what steps the Franchise Director has taken to involve the train rolling stock companies in supplying Connex's rolling stock replacement needs. [61877]

Dr. Reid: The two train operating companies franchised to Connex will have to replace or modify certain trains to meet their commitments to the Franchising Director and any requirements of the Health and Safety Executive. How they achieve this is a matter for the companies.

ATTORNEY-GENERAL

Silent Suspects

Mr. Savidge: To ask the Attorney-General what approach prosecutors take to reliance on inferences which may be drawn from silence during police questioning at a time when the suspect is denied access to legal advice, having regard to the judgment of the European Court of Human Rights in John Murray *v* United Kingdom. [62217]

The Attorney-General: The Government intend to introduce the necessary legislation in the forthcoming Youth Justice and Criminal Evidence Bill and this legislation will be extended to Northern Ireland, by way of negative resolution Order in Council, to ensure that the domestic law which was at issue in Murray *v* United Kingdom is fully compatible with our obligations under the European Convention on Human Rights. As an interim measure, I have today promulgated to prosecuting authorities guidance about the handling of cases where the evidence available to the prosecution would include such inferences as might be drawn from the accused's silence in the circumstances covered by Sections 34, 36 and 37 of the Criminal Justice and Public Order Act 1994 (and corresponding provisions in Northern Ireland) when the suspect has been denied access to legal advice at the time of questioning.

A copy of the guidance has been placed in the Libraries of both Houses. Its effect is that the prosecution should not seek to rely on inferences drawn from silence before access to legal advice had been granted. In the event that a court, of its own volition, indicates an intention to draw any such inferences, its attention would be drawn to the judgment in the John Murray case.

DEFENCE

Security Activities (Expenditure)

Mr. Salmond: To ask the Secretary of State for Defence how much expenditure in 1996–1997 can be associated directly with security activities in *(a)* Northern Ireland, *(b)* the Falklands and *(c)* the remaining United Kingdom dependent territories. [61696]

Mr. George Robertson: Expenditure directly associated with security activities cannot be distinguished from that on other activities. The following costs of the military presence provide a broad guide to the overall level of commitment in 1996–97:

(a) Northern Ireland £505 million.

This figure relates to the costs incurred by the General Officer Commanding, Northern Ireland. It thus excludes related elements of expenditure, incurred elsewhere within Class I Votes, which are not separately identified.

(b) Falklands £81 million.

This figure relates to the costs incurred by the Commander, British Forces Falkland Islands (CBFFI) only. It does not thus include the costs of the RAF airbridge to the Falkland Islands, nor the cost of naval deployments to the South Atlantic. These costs fall to other budgets and are not separately identified.

(c) UK dependent territories (excluding Falkland Islands) Gibraltar £63 million.

Costs incurred in the support of the remaining dependent territories are not separately identified and are relatively small. Expenditure is principally on the operation of the West Indies Guardship which supports UK dependent territories throughout the Caribbean, among other tasks. Otherwise, support generally relates to the provision of a small number of Loan Service Personnel to assist with training. The cost of the military presence in South Georgia and the Sandwich Islands is included in CBFFI's budget.

Territorial Army

Mr. Bob Russell: To ask the Secretary of State for Defence what the approved complement was of the Territorial Army Reserve in *(a)* May 1979 and *(b)* May 1997. [60859]

Mr. Doug Henderson: The Territorial Army established as of 1 May 1997 was 59,000 posts, excluding Non Regular Permanent Staff. Establishment figures for the year 1979 are not available as records of that time only detail the strength of the TA, which was 59,400 in May 1979.

Mr. Burns: To ask the Secretary of State for Defence if he will make a statement on the impact his announcement on the future of the TA will have on manpower levels in Chelmsford. [61887]

Mr. Doug Henderson: There are currently 136 Territorial Army posts in Chelmsford. The restructuring of the TA will reduce this figure to 120.

Hepatitis A

Mr. Duncan: To ask the Secretary of State for Defence (1) what precautions are available to *(a)* forces personnel, *(b)* officials and *(c)* Ministers in his Department travelling overseas and facing the risk of hepatitis A infection; [61053]

(2) what advice is offered to *(a)* forces personnel, *(b)* officials and *(c)* Ministers in his Department travelling overseas and facing the risk of hepatitis A infection, with regard to deciding whether to receive (i) y- (gamma-) globulin or (ii) the alternative hepatitis A vaccine. [61054]

Mr. Doug Henderson *[holding answer 27 November 1998]:* Members of the Armed Forces, Defence Ministers and officials travelling overseas and facing the risk of hepatitis A infection are offered immunisation against the disease in accordance with advice issued by the Department of Health. Gamma globulin (Known as human normal immunoglobulin) would be offered, in addition to hepatitis A vaccination, for short notice visits to areas of significant risk when protection is required within 10 days of the first dose of hepatitis A vaccine. Advice on appropriate immunisation is available from MOD medical staff.

Defence Industry Seminar, Rome

Mr. Key: To ask the Secretary of State for Defence if he will list the British participants in the defence industry seminar organised by the Italian presidency of the Western European Union in conjunction with the Rome ministerial meeting; and if he will make a statement. [60978]

Mr. George Robertson *[holding answer 27 November 1998]:* My hon. Friend the Under-Secretary of State for Defence, accompanied by officials from the MOD and one from the Department of Trade and Industry, attended the seminar in Rome on 17 November. Representatives of the British defence industry were also present. The seminar considered the issues surrounding the restructuring of European defence industry, both within Europe and in relation to the global market. Among those present were members and observer countries of the Western European Armaments Group and representatives of the European defence industry and European Commission.

Faslane and Coulport

Mrs. Ewing: To ask the Secretary of State for Defence how many *(a)* civil and *(b)* military personnel are employed at (i) the Clyde Submarine Base, Faslane and (ii) the Royal Naval Armaments Depot, Coulport. [61844]

Mr. Doug Henderson: I will write to the hon. Member and a copy of my letter will be placed in the Library of the House.

Trident

Mrs. Ewing: To ask the Secretary of State for Defence if he will estimate how many *(a)* direct and *(b)* indirect civilian jobs rely upon the Trident programme currently; and how many will in (i) 2000, (ii) 2010 and (iii) 2020. [61846]

Mr. George Robertson: I will write to the hon. Member and a copy of my letter will be placed in the Library of the House.

Atomic Weapons Establishments

Mrs. Ewing: To ask the Secretary of State for Defence how many people are employed by the atomic weapons establishments at *(a)* Aldermaston, *(b)* Burghfield and *(c)* Blacknest. [61845]

Mr. Spellar: AWE plc currently employ 4,055 staff at Aldermaston, 544 at Burghfield and 13 at Blacknest. These figures exclude Hunting-BRAE staff, contractors and sub-contractors, Ministry of Defence Police and other MOD employees.

Royal Dockyards

Mrs. Ewing: To ask the Secretary of State for Defence how many *(a)* civilian and *(b)* military personnel are employed at (i) the Royal Dockyard, Rosyth and (ii) the Royal Dockyard, Devonport. [61847]

Mr. Spellar: The Royal Dockyards at Rosyth and Devonport were privatised in January 1997 and are now owned by Babcock Rosyth Defence Limited and Devonport Management Limited, respectively.

In addition to the Dockyard companies' workforce, the following Ministry of Defence employed personnel also work at the Royal Dockyards (based on the latest information available):

	Civilian	*Military*
Rosyth Royal Dockyard	459.5	50
Devonport Royal Dockyard	208.5	15

PRIME MINISTER

Iraq

Mr. Dalyell: To ask the Prime Minister what assessment he has made of the statement by Mr. Denis Halliday, the former United Nations Humanitarian Co-ordinator in Iraq, in Middle East International of 13 November, a copy of which has been given to him, that the policy of the United Kingdom and United States of America towards Iraq is incompatible with the Charter of the United Nations. [61694]

The Prime Minister *[holding answer 30 November 1998]:* Sanctions on Iraq were imposed under and in accordance with the UN Charter.

The latest report by the UN Secretary General on the "oil for food" programme, published on 19 November, notes that the programme continues to have a positive effect on the living conditions of the Iraqi people.

Cabinet Committee

Mr. Corbett: To ask the Prime Minister what the composition and terms of reference are of the Cabinet Committee on Productivity and Competitiveness mentioned in the Pre-Budget report. [62254]

The Prime Minister: I have asked my right hon. Friend the Chancellor of the Exchequer to chair a

new Cabinet Sub-Committee on Productivity and Competitiveness. The composition and terms of reference for this Committee are:

Ministerial Sub-Committee on Productivity and Competitiveness EA(PC)

Composition

Chancellor of the Exchequer (Chair)

Deputy Prime Minister and Secretary of State for the Environment, Transport and the Regions

Secretary of State for the Home Department

Secretary of State for Education and Employment

Minister for the Cabinet Office

Secretary of State for Scotland

Secretary of State for Northern Ireland

Secretary of State for Trade and Industry

Secretary of State for Wales

Terms of Reference

"To consider measures to improve the productivity and competitiveness of the United Kingdom economy".

Closed-list System

Mr. Hayes: To ask the Prime Minister when the Government first announced that they planned to introduce a closed-list system in respect of elections to the European Parliament. [61841]

The Prime Minister: When the European Parliamentary Elections Bill was published and introduced on 29 October 1997, it set out the precise nature of the proposed system.

AGRICULTURE, FISHERIES AND FOOD

Fisheries (Licensing)

Mr. Quinn: To ask the Minister of Agriculture, Fisheries and Food what arrangements are being made for the registration and licensing of the maximum continuous engine power of fishing vessels; and if he will make a statement. [62219]

Mr. Morley: On 17 December 1997, *Official Report*, columns 345–46, I announced that Fisheries Departments planned to introduce from 1 January 1999 phased arrangements for recording maximum continuous engine power on fishing vessel licences.

Following that announcement, the arrangements for the recording of maximum continuous engine power have been the subject of detailed consideration by Fisheries Departments, the Department of the Environment, Transport and the Regions, and the Maritime and Coastguard Agency (MCA). Since the fishing vessel licensing regime operated by Fisheries Departments is dependent on vessel characteristics as registered by the Registrar of Shipping and Seamen, part of MCA, parallel changes will be introduced in the arrangements for registering fishing vessel engine power. These changes have also been discussed with representatives of the National Federation of Fishermen's Organisations, the Northern Ireland Fishermen's Federation and the Scottish Fishermen's Federation as part of a wider review of UK fishing vessel licensing.

We are now writing to advise all fishing vessel owners and licence holders of the new arrangements.

From 1 July 1999, new registrations, re-registrations, and changes in existing registrations affecting ownership or vessel characteristics (engine power, length or breadth), and the licensing of such vessels, are to be based on the declaration and recording of maximum continuous engine power. The permanent derating of engines will be permitted but vessel owners will have to provide a signed statement or certificate from the engine manufacturer or a suitably qualified marine engineer setting out the steps that have been taken to achieve such a modification. De-rated engine power will be registered and licensed only where the MCA and Fisheries Departments are satisfied that the modifications are permanent.

The Merchant Shipping (Registration of Ships) Regulations 1993 will be amended to provide specifically for the registration of maximum continuous or permanently modified engine power.

From 1 January 2000, the maximum continuous or permanently derated engine power of vessels registered before 1 July 1999 will be taken to be that declared on the Certificate of Registry and shown on the fishing vessel licence. When vessels are registered between 1 January and 30 June 1999, owners will wish to take appropriate action to ensure that they declare the full power of their vessels (maximum continuous or permanently derated engine power) because this is the basis on which subsequent enforcement will take place.

Checks will be undertaken from 1 January 2000 to ensure that the apparent installed engine power of fishing vessels is consistent with the registered and licensed engine power. Where the apparent installed power is greater than the registered and licensed power, a fishing vessel's licence will become invalid and a new licence will not be issued until the owner acquires additional vessel capacity units (VCUs) to cover the deficit in engine power or undertakes permanent de-rating of the vessel's engine. However, the owners of vessels registered before 1 January 1999 will have until 31 December 2004 to rectify any anomalies in their registered engine power if they provide a written undertaking specifying the steps they are taking.

To assist the implementation of the new arrangements, a capacity penalty will be payable only on the additional VCUs needed to cover the discrepancy between apparent installed and registered engine power provided no other changes are made to the characteristics of the vessel. A 20 per cent. capacity penalty will operate unless the adjustment to engine power is made before 31 December 2001 in which circumstances the penalty will be 10 per cent. For this purpose, it will be permissible for vessel owners to split VCUs and licences between two or more vessels.

The arrangements will apply to the licensing of fishing vessels wherever they operate. However, from 1 January 1999, vessels applying for licences for the first time in respect of fishing opportunities in external and other waters will be expected to satisfy Fisheries Departments that the maximum continuous or permanently derated engine power has been declared and appropriately licensed.

Finally, as announced last December, the current licensing arrangements for fishing vessels are being

reviewed jointly by Fisheries Departments and representatives of the fishing industry. This announcement is, therefore, without prejudice to any further changes that are recommended in licensing including capacity penalties for licence transfers and aggregations.

Mr. Quinn: To ask the Minister of Agriculture, Fisheries and Food what changes he proposes to make in the arrangements for the licensing of pelagic freezer trawlers and pair trawling; and if he will make a statement. [62218]

Mr. Morley: In July 1998, Fisheries Departments issued a consultation document seeking comments on proposals to assist pelagic freezer trawling including the aggregation of whitefish with pelagic licences and pair trawling with vessels from other Member States. The proposals attracted wide-ranging comments from the fishing industry.

After careful consideration, it has been decided to introduce a time-limited scheme for the introduction or replacement of pelagic freezer trawlers. Any person may introduce a pelagic freezer trawler into the UK fleet by aggregating Category A whitefish licences and/or category A pelagic trawler licences with existing Category A pelagic freezer trawler or purse seine licences or licence entitlements, provided:

(i) proposals to introduce or replace a pelagic freezer trawler are notified in writing to Fisheries Departments by 28 February 1999;

(ii) at least 40 per cent. of the vessel capacity units (VCUs) of the incoming vessel are covered by licences or licence entitlements from pelagic freezer trawlers or purse seiners;

(iii) the tonnage and engine power of any incoming vessel must be no greater than the total tonnage and the total engine power of the vessels from which its licence entitlements derive;

(iv) the incoming vessel is registered by the Registrar of Shipping and Seamen and licensed by one of the Fisheries Departments by 30 June 2001.

A capacity penalty will be payable only on that part of the capacity of the incoming vessel which is not covered by Category A pelagic freezer or purse seine licences: that penalty will be 20 per cent.

In submitting proposals to introduce or replace a pelagic freezer trawler, the prospective owner will have to demonstrate, to the satisfaction of Fisheries Departments, a genuine intention to pursue pelagic freezer trawling and access to sufficient fishing opportunities to support the operation of the incoming vessel. Any effort expended by the new vessel would count towards existing effort targets. Consequently, any pelagic effort allocated to producer organisations or other groups to cover an incoming vessel's activities could amount only to the allocation for the existing freezer vessel it replaced and/or the fishing opportunities linked to any other pelagic licences used in the licence transaction. No additional effort would be available as a result of the aggregation of whitefish licences.

For the time being, the prohibition on pair trawling with vessels from other Member States will remain in place. The prohibition will, however, be reviewed in the light of the new rules to regulate transhipment and joint fishing operations which the Commission are expected to draw up following changes in the EU's control regulation for fisheries.

These arrangements, which take effect immediately, are being notified to all holders of pelagic freezer trawler and purse seine licences.

TRADE AND INDUSTRY

Arms Trade

Mr. Reed: To ask the Secretary of State for Trade and Industry what plans he has to ensure that the European Code of Conduct on the arms trade is adopted into UK law; and what plans he has to make arms brokering to arms embargoed countries a crime. [61492]

Mrs. Roche: The EU Code of Conduct on Arms Exports, which was an Anglo-French initiative, was adopted by the EU General Affairs Council on 8 June. However, as our own national arms export criteria are not legally binding, the UK Government felt that it would not have been appropriate or realistic to press our partners to sign up to a legally binding instrument to give effect to similar criteria at the EU level.

The Government already impose controls on trafficking and brokering under the United Nations Act 1946 where this is necessary to implement a binding United Nations decision. In addition, the White Paper on Strategic Export Controls, which was published on 1 July, contains proposals to extend controls on trafficking and brokering in several areas, including to countries subject to other types of embargo, whether as a result of non-binding decisions of the UN or decisions of the EU, Organisation for Security and Co-operation in Europe or the UK Government. This would mean that, as is already the case for binding UN arms embargoes, it would be an offence for persons in the UK or UK persons abroad to be involved in trafficking or brokering in controlled goods to countries subject to these other types of embargo, without a valid licence. The use of a licensing system, rather than imposing an outright ban, would enable the Government to sanction such transfers on the rare occasions that they are desirable (e.g. the transfer of equipment to peacekeeping forces in an embargoed destination).

Mr. Reed: To ask the Secretary of State for Trade and Industry what steps he intends to take to ensure that the Council of Ministers Working Group on arms exports agrees a common list of items be controlled by the EU Code. [61495]

Mr. Tony Lloyd: I have been asked to reply.

The CFSP Working Group on Conventional Arms Exports is taking forward work to agree a common list of military equipment covered by the EU Code of Conduct on Arms Exports. The UK is playing an active role in this work with a view to ensuring its successful conclusion.

Mr. Reed: To ask the Secretary of State for Trade and Industry what steps he intends to take to ensure that there is clear and transparent annual reporting of the different types and amounts of weapons covered by arms export licences granted and denied by *(a)* the UK and *(b)* other European Union countries. [61493]

Mr. Tony Lloyd: I have been asked to reply.

The Government are preparing a report on UK strategic exports, which we will publish as soon as is possible. On the question of the content of the report, I refer my hon. Friend to the answer I gave to my hon. Friend the Member for Birmingham, Selly Oak (Dr. Jones) on 14 July 1998, *Official Report*, column *149*.

Most other EU Member States already publish annual reports on their own defence exports. Once our own report has been published, we will consider how best to achieve similar levels of transparency in the information released by other Member States.

Afro-Caribbean Businesses

Mr. Cotter: To ask the Secretary of State for Trade and Industry what initiatives he has taken to encourage the start-up and growth of Afro-Caribbean-owned businesses. [61177]

Mrs. Roche: The Government seek to provide a stable economic environment which encourages the start-up and growth of businesses from all sectors of the population.

Business Link Services are aimed at the needs of the local business community. In areas where there is a high proportion of Afro-Caribbean businesses, issues of particular concern to them must be addressed.

As part of the Enhanced Accreditation Criteria (launched April 1998) Business Link partnerships must now demonstrate that Business Link advisers have the appropriate background for dealing with their client base and that the Business Link Board is representative of the business community.

Internet Sales

Mr. Chidgey: To ask the Secretary of State for Trade and Industry what measures he proposes to ensure future participation by United Kingdom companies in the projected market increase for software and other digital product sales over the Internet. [61832]

Mrs. Roche: The department is building on existing mechanisms such as the Software Business Network (SBN), Trade UK and the Northern Ireland Growth Challenge (NIGC) which currently support companies in these emerging areas. Our intention is to create in the UK the best environment in the world in which to trade electronically by 2002. We will introduce legislation during this session of Parliament to help to build confidence in electronic commerce.

Further measures will be announced in the forthcoming White Paper on Competitiveness.

Dual-use Goods (Exports)

Mr. Grogan: To ask the Secretary of State for Trade and Industry what arrangements are in place to authorise the export of controlled dual-use goods by the United Kingdom Government. [62290]

Mrs. Roche: On 27 November, the Export Control Organisation of my Department issued an Open Licence which permits the export to any destination, subject to the conditions of the licence, all dual-use goods specified in any entry in Annexe I to Council Decision 94/942/CFSP or in Schedule 2 to the Dual-Use and Related Goods (Export Control) Regulations, where the export is by the Crown. A copy of the licence has been placed in the Library of the House.

Minewater Pollution

Mr. Grogan: To ask the Secretary of State for Trade and Industry what progress the Government have made in reviewing their policy on minewater pollution from abandoned mines. [62291]

Mr. Battle: The Government have reviewed their policy on water pollution from abandoned coal mines. I have written to the Chairman of the Authority setting out my views, and my commitment to the Authority's programme of preventing and treating significant water pollution from long-abandoned mines.

The Authority should also give a high priority to carrying out appropriate research, monitoring and preventive work and early treatment into pollution from more recently abandoned mines. These activities will be carried out in close collaboration with the Environment Agency and the Scottish Environment Protection Agency. The Coal Authority will have a separate minewater budget within its Grant-in-Aid to ensure that the Authority's other activities do not adversely affect its minewater programme, and that any emergencies can be dealt with.

The Department of the Environment, Transport and the Regions, the Welsh Office and the Environment Agency, and the Scottish Office and the Scottish Environment Protection Agency are monitoring recently abandoned non-coal mines where there is a risk of pollution, with a view to taking appropriate action where no private operator is legally liable.

Copies of my letter to the Chairman of the Authority have been placed in the Libraries of both Houses.

Information Warfare

Mrs. Lait: To ask the Secretary of State for Trade and Industry what plans he has to introduce security standards to meet the challenge posed by information warfare techniques to United Kingdom telecommunications. [61671]

Mrs. Roche: Information warfare, like all criminal behaviour, impacts upon any organisation or business which makes use of information technology. The development of a British Standard BS 7799, which focuses on the Code of Practice for Information Security Management, introduced in 1994 was spearheaded by the Department to promote good information security management. The DTI is currently developing, with BSI/DISC and industry, c:cure, a scheme which will allow organisations, of all sizes and sectors, to measure and demonstrate that their information security management system is compliant against BS 7799.

Standards will also be an integral part of the EU's Electronic Signature Directive, and of the proposed UK legislation to support our policy on cryptography, but, of course, no matter what is made available, the use of these standards and the adoption of appropriate security controls is a commercial decision for businesses to make.

Petroleum Licensing

Mr. Grogan: To ask the Secretary of State for Trade and Industry what awards have been made in the 18 Seaward Round of Petroleum Licensing; and what plans he has for future licensing rounds. [62292]

Mr. Battle: Creative and innovative proposals are key features in the award of licences on 78 of the 82 blocks applied for in the 18th Round of Seaward Petroleum Licensing. The awards are made to a total of 44 companies, of which 22 are operators of one or more of the blocks.

The applications received showed that companies are still thinking creatively and generating innovative proposals to identify significant new prospects in the North Sea. Despite more than 30 years of exploration activity in the area, there was strong competition for attractive blocks and clear evidence that companies are prepared to look beyond traditional areas and the tested strata to find new resources.

The willingness of companies to test innovative thinking with both further technical analysis and early drilling where appropriate confirms that the industry still sees the North Sea as an exploration area with significant potential in undiscovered reserves. I believe that the open basis of this round—the first to allow companies to bid for almost any unlicensed blocks in mature areas of the United Kingdom Continental Shelf—encouraged companies to develop innovative ideas and bring them forward as licence applications.

When the 18th Round was launched in June this year, our expectation was that most applications would focus on acreage close to existing developments or infrastructure, where any discoveries were likely to be brought on stream as rapidly as possible in order to prolong the life of current assets.

In the event, a majority of the applications received reflected this pattern, and there was strong competition for several blocks, but an unexpected—and very pleasing—number of other applications were received which identified strata and structures with previously unrecognised hydrocarbon potential.

Some of these concepts were developed in blocks which have been licensed and explored for conventional targets before. Twelve of the blocks awarded have not previously been licensed. Eight of these are granted to the Shell/Esso partnership whose application stood out for its creative approach.

Two of the blocks applied for—48/19d and 210/20c—have been divided between competing applicants. This will allow presumed extensions of adjacent fields—Anglia and Otter respectively—into the new acreage to be appraised and brought into production as soon as possible, while at the same time maximising exploration of the remaining area.

I look forward to seeing the successful applicants moving forward to explore their new holdings, and to develop any new reserves they may discover.

I expect to make a further announcement about a 19th Seaward Round next year.

Euro

Mr. Robathan: To ask the Secretary of State for Trade and Industry what is the cost of the current advertising campaign urging business to prepare for the euro. [61017]

Ms Hewitt: I have been asked to reply.

The Euro Preparations Unit's communication campaign on the euro is specifically targeted at ensuring that UK businesses especially small and medium enterprises (SMEs), are aware of the implications of the introduction of the single currency from 1 January 1999. The campaign involved press advertising in July, direct mailing to 1.6 million SMEs, supported by TV commercials in September, and further press and radio advertising in October.

The television, press and radio elements of the campaign cost approximately £4.75 million. This figure does not include VAT.

National Minimum Wage

Mr. Ruane: To ask the Secretary of State for Trade and Industry if he will list the number of people likely to benefit from the introduction of the national minimum wage in each parliamentary constituency. [61804]

Ms Hewitt: I have been asked to reply.

The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mr. Chris Ruane, dated 1 December 1998:

As the Director of the Office for National Statistics (ONS), I have been asked to reply to your recent parliamentary question on the number of people likely to benefit from the introduction of the national minimum wage.

It is ONS policy to reply to statistical PQs, where possible, by referring to published results. Information from the 1998 New Earnings Survey (NES) required to answer this question is not comprehensively published, but is included in special tables recently placed in the House of Commons Library.

INTERNATIONAL DEVELOPMENT

Zimbabwe

Mrs. Gillan: To ask the Secretary of State for International Development how much the United Kingdom's contribution is to multilateral donor projects in Zimbabwe in *(a)* 1998–99 and *(b)* 1999–2000. [61852]

Clare Short: The total multilateral official development assistance received by Zimbabwe in 1996, the last year for which figures are available, was £61.6 million. The UK's imputed share was £6.9 million.

Mrs. Gillan: To ask the Secretary of State for International Development if she will list the projects sponsored by her Department in Zimbabwe for *(a)* 1998–99 and *(b)* 1999–2000, giving their value and expected expiration date. [61851]

Clare Short: Projects where the Department for International Development's commitment is over £0.5 million are listed. Figures for expenditure in 1998–99 and 1999–2000 are not available.

Project name/sector	Commitment £ million	Expiry date
Parastatal Reform and Privatisation		
Privatisation Agency	2.1	2000
Civil Service Reform		
Judicial Training	1.6	1999
Zimbabwe Republic Police	6.5	2001
Landrovers for Zimbabwe Republic Police	8.5	2002
Women's Civil Education	1.0	2001
Capacity Building within Local Government		
Rural District Council Institutional Development Project	10.6	2002
Health		
Sexual Health	9.2	1999
Support to Health Policy Development and Planning Department	0.75	1999
Social Marketing of Condoms	2.0	2001
Interim Health Management Strengthening	3.0	1998
Water and Sanitation		
Water Quality Analysis Laboratory	0.9	1999
Bikita Integrated Rural Water Supply and Sanitation	2.3	2000
Lupane Integrated Rural Water Supply and Sanitation	3.5	2002
Water Point Upgrading/Rehabilitation	0.9	2000
National Water Resources Strategy	0.5	1999
CARE Small Dams Rehabilitation	2.0	2001
Renewable Natural Resources		
Crop Post Harvest Programme	0.75	1999
Assistance to Department of Veterinary Services	0.9	1999
Private Sector Development		
Credit for the Informal Sector	1.3	2000
Takura Investments	0.5	2000
Agribusiness Entrepreneur Network and Training Development	0.5	2000
Assistance to Developing Enterprises Project Team	1.4	2000

Mrs. Gillan: To ask the Secretary of State for International Development if she will make a statement on the IMF's decision to suspend aid to Zimbabwe. [61853]

Clare Short: We understand that the IMF are seeking clarification of the Government of Zimbabwe's budget commitments before the IMF Board considers release of further tranches of the Standby Arrangement.

Mrs. Gillan: To ask the Secretary of State for International Development what discussions she has had with the Foreign Secretary concerning the provision of aid to Zimbabwe. [61858]

Clare Short: I have regular meetings with the Foreign Secretary on a range of issues including events in Zimbabwe.

Mrs. Gillan: To ask the Secretary of State for International Development if she will list the good governance criteria the Government have for assessing Zimbabwe's eligibility for assistance from her Department. [61854]

Clare Short: Our approach to good government is set out in the White Paper 'Eliminating World Poverty', and embraces democratic accountability, the protection of human rights and the rule of law.

Mrs. Gillan: To ask the Secretary of State for International Development if she will make a statement on the Zimbabwe Government's land reform programme up to 1 December 1997. [61855]

Clare Short: The Government of Zimbabwe's land reform programme began after Independence in 1980. So far, the programme has benefited some 70,000 families. An evaluation by the then ODA in 1988 showed that the resettlement had shown a good rate of return, but had little impact on the poverty in the communal areas. Poverty also exists in the new resettlement areas. The Government of Zimbabwe established a Commission of Inquiry into Appropriate Agricultural Land Tenure Systems (the 'Rukuni Commission') which in 1994 made recommendations on tenure, subdivision, administrative decentralisation, and land taxation, among other issues. These recommendations are for consideration as part of the second phase of the Government's Land Reform and Resettlement Programme. In November 1997, the Government of Zimbabwe notified 1,471 landowners of their intention compulsorily to acquire further land.

Her Majesty's Government have made it clear since May 1997 that there is a strong case for land redistribution in Zimbabwe but that we will provide support only if the programme is part of a wider poverty reduction strategy, is transparent and pro-poor and complies with Zimbabwean law on land acquisition and compensation.

Mozambique

Mrs. Gillan: To ask the Secretary of State for International Development how much the United Kingdom's contribution is to multilateral donor projects in Mozambique in *(a)* 1998–99 and *(b)* 1999–2000. [61857]

Clare Short: The total multilateral official development assistance received by Mozambique in 1996, the last year for which figures are available, was £236 million. The UK's imputed share was £18.6 million.

Mrs. Gillan: To ask the Secretary of State for International Development if she will list the projects sponsored by her Department in Mozambique for *(a)* 1998–99 and *(b)* 1999–2000, giving their value and expected expiration dates. [61856]

Clare Short: The details requested are as follows:

Project	*Commitment (£ million)*	*Expiry date*
Zambezia Agricultural Development Project	7.75	2001
Zambezia Feeder Roads	7.06	2000
NGO '70:30' Scheme	2.00	2000
Programme Aid	20.00	1999
Assistance for Customs	9.30	1999
Secondary English Teaching	2.36	2002

Figures for expenditure in 1998/9 and 1999/2000 are not available. I will send the hon. Member a copy of DFID's recently published Country Strategy Paper for Mozambique.

Hurricane Mitch

Mr. Chaytor: To ask the Secretary of State for International Development if she will make a statement on the progress of the emergency relief operation in the countries affected by Hurricane Mitch. [61417]

Clare Short: The immediate life-saving phase of the emergency operation is over. However, there are continuing relief needs. We are helping with the response as part of the internationally co-ordinated relief effort. Our contribution to date has been well received.

We will continue to monitor closely the situation in the region through our Embassies and the United Nations. We are also keeping in touch with the UK based representatives of those countries affected by Hurricane Mitch and with the non-governmental organisations providing assistance. I have sent an expert team from my Department to the region to review the relief effort and consider what further support we might provide for continuing emergency assistance. They will report back to me later this week.

The needs of the region for immediate and medium-term reconstruction will be discussed at an emergency Consultative Group meeting, convened by the Inter-American Development Bank in Washington on 10–11 December, involving all the key donors, both multilateral and bilateral. My Department will be represented. We are currently considering how to refocus our development assistance programme for Central America to address the needs of recovery and reconstruction.

Kosovo

Dr. Tonge: To ask the Secretary of State for International Development if she will make a statement on the current humanitarian situation in Kosovo. [61414]

Clare Short: A Department for International Development mission visited Federal Republic of Yugoslavia and Albania between 16–26 November to assess conditions on the ground and the state of aid co-ordination. A humanitarian disaster has been averted, but the situation remains serious and must be monitored carefully. The internally displaced persons who were living out of doors are now back under shelter. The international response is generally adequate to meet current emergency needs of displaced people and refugees for food, blankets, stoves, mattresses and fuels. It is vital that the current level of humanitarian operations is maintained over the winter.

CULTURE, MEDIA AND SPORT

Protection of Wrecks Act 1973

Mr. Kidney: To ask the Secretary of State for Culture, Media and Sport if he will encourage the use of designated police liaison officers to complement the provisions for the protection of sites of wrecks under the Protection of Wrecks Act 1973. [60867]

Mr. Alan Howarth: As a result of recent allegations of offences under the Protection of Wrecks Act 1973, my Department will be writing to all relevant local constabularies clarifying the legal position in relation to the 1973 Act, and giving details of existing designated sites within their area of responsibility.

We welcome the proposal for local constabularies to set up designated police liaison officers, and are examining how this can best be taken forward.

Mr. Kidney: To ask the Secretary of State for Culture, Media and Sport what changes he is planning to the Protection of Wrecks Act 1973. [60866]

Mr. Alan Howarth: There are no plans to amend the Protection of Wrecks Act 1973 before the proposed transfer of responsibility for underwater archaeology to English Heritage announced in my Department's Departmental Spending Review. English Heritage may carry out a review of the operation of the 1973 Act after the transfer of responsibility has been carried out.

HOME DEPARTMENT

John Murray

Mr. Dismore: To ask the Secretary of State for the Home Department if he will announce the Government's response to the judgment of the European Court of Human Rights in the case of John Murray *v.* the United Kingdom; and if he will make a statement. [62171]

Mr. Straw: In the case of John Murray *v.* the United Kingdom, the European Court of Human Rights held that it was a breach of Article 6 of the Convention to deny the applicant access to legal advice in circumstances where inferences could be drawn from his silence during questioning. The Government have concluded that the only sure way to prevent a repetition of the circumstances which prevailed in the Murray case is to amend the relevant legislation and the Codes of Practice made under the Police and Criminal Evidence Act 1984, the Police

and Criminal Evidence (Northern Ireland) Order 1989 and the Northern Ireland (Emergency Provisions) Act 1996, so as to prohibit the drawing of inferences from silence when a suspect is questioned at a police station while denied access to legal advice. The Government therefore intend to introduce the necessary legislation in the forthcoming Youth Justice and Criminal Evidence Bill, and this legislation will be extended to Northern Ireland by way of Negative Resolution Order in Council.

In the interim, the Government will take such steps that are possible, without legislation, to ensure that no one is put in the same position which arose in the Murray case. My right hon. and learned Friend the Attorney-General will shortly be issuing guidance to prosecutors and, in parallel, my Department and the Northern Ireland Office will shortly be issuing a circular to the police. This guidance will seek to ensure that the usual practice will be for suspects to have access to legal advice before being interviewed at a police station. Where access to legal advice is denied, the police will be encouraged to put inference-bearing questions again after the suspect has been given the opportunity to obtain such advice. Additionally, prosecutors will be advised not to seek reliance on inferences drawn from silence before access to legal advice was granted. I am arranging for a copy of the guidance to the police to be placed in the Library.

Immigration

Mr. Chope: To ask the Secretary of State for the Home Department in how many cases since his appointment he has exercised his discretion to grant leave to remain in the United Kingdom to foreign nationals resident in the United Kingdom on the grounds of compassionate circumstances. [61992]

Mr. Mike O'Brien: I regret that information on this particular reason for granting leave to remain is not collected separately. Applications for leave to remain on compassionate grounds are considered in the light of the particular circumstances at that time and of any concessionary policy under which the original leave may have been given.

Passports and Visas

Mr. Gorrie: To ask the Secretary of State for the Home Department what plans he has to *(a)* speed up his Department's handling of applications for passports and visas and subsequent appeals and *(b)* to improve the handling of related complaints from hon. Members. [61085]

Mr. Mike O'Brien: The UK Passport Agency provides passport services for British nationals in the United Kingdom, and I have set the following service standard target for 1998–99:

> To process properly completed straightforward applications within a maximum of 15 working days in April, and 10 working days for the remainder of the year.
>
> In seeking to meet this target, the Agency will give priority to customers' travel needs, aiming to meet declared travel dates for at least 99.99 per cent. of passports issued.

The Agency's turnround times have slipped beyond this target on a number of occasions this year, but customers' urgent travel needs have been met.

The Passport Agency has an internal target of dealing with correspondence, including complaints from hon. Members, in a maximum of 10 working days, and this target has been met on 90 per cent. of occasions.

As regards applications for British citizenship, these are currently taking longer to consider than I would wish. Unfortunately, the spending plans we inherited from the previous Government, together with the increased pressures on the Immigration and Nationality Directorate, arising from increased passenger numbers arriving at our sea and airports and the numbers claiming asylum, mean that we do not have the financial resources to devote greater effort to citizenship work. This will change next year when we start to put into effect our plans for immigration and nationality work, which should result in twice as many decisions being taken and waiting times coming down significantly.

In relation to immigration appeals, the Immigration and Nationality Directorate published a consultation paper on the appeals system on 13 July. We are now considering responses and will bring forward our legislative proposals for accelerating procedures in the current session of Parliament.

On visas, the Foreign and Commonwealth Office, which is responsible for the operation of the Entry Clearance service overseas, is committed to providing a fair, fast and firm entry clearance service to all visa applicants. Entry clearance officers in overseas posts are required to take decisions on as many straightforward non-residence visa applications as they can within 24 hours. The target set for this in 1998–99 is 87 per cent. rising to 90 per cent. by 2001–2.

Within the Foreign and Commonwealth Office, the Migration and Visa Correspondence Unit (MVCU) handle complaints from hon. Members about visa matters. I understand that the staffing of MVCU has been reinforced over the last year, and improvements made to their procedures, in an effort to provide a better service.

Extradition

Mr. Clappison: To ask the Secretary of State for the Home Department what representations, other than those made by or on behalf of a person awaiting a decision, he can take into account in the exercise of his discretion in extradition cases. [61866]

Mr. Straw: Section 13(4) of the Extradition Act 1989 places a duty on the Secretary of State to consider any representations made to him by a person who has received notice that the Secretary of State is contemplating making an order for his return to a foreign state under section 12 of the Act.

There is no equivalent provision in the Act for representations before the issuing of an Authority to Proceed: I shall be guided in my handling of representations, made for and against the issue of an Authority to Proceed, by general principles of fairness.

Mr. Gordon Prentice: To ask the Secretary of State for the Home Department what is his role in extradition procedures; and what factors he takes into account in deciding whether or not to exercise his discretion. [61848]

Mr. Straw: Section 7(4) of the Extradition Act 1989 provides that, on receipt of an extradition request:

"the Secretary of State may issue an authority to proceed unless it appears to him that an order for the return of the person concerned could not lawfully be made, or would not in fact be made, in accordance with the provisions of this Act".

Factors which the Secretary of State takes into account when deciding whether to issue an authority to proceed are therefore the relevant extradition arrangements with a foreign state, the general restrictions on return provided for in section 6 of the 1989 Act in respect of his discretion as to whether he would ultimately make an order for the return of any person who has been committed by the court under section 9 of the Act.

Senator Pinochet

Mr. Clappison: To ask the Secretary of State for the Home Department what requests he has received for the exercise of his discretionary powers in the case of Augusto Pinochet; and when he received them. [61865]

Mr. Straw: On 21 October, the Extradition Section received a request from Senator Pinochet's legal representatives to exercise my discretion under section 8(4) of the Extradition Act 1989. Since 25 November, the Extradition Section at the Home Office has received a number of representations, for and against the issuing of an Authority to Proceed.

Mr. Clappison: To ask the Secretary of State for the Home Department what representations he has made to the Bow Street Magistrates regarding the timetable of proceedings in the case of Augusto Pinochet. [61863]

Mr. Straw: One of my officials wrote to the Deputy Chief Clerk of Bow Street Magistrates' Court on 20 November and on 26 November. The letter of 26 November asked the Magistrate, when setting a date for receipt of an Authority to Proceed, to take into account the fact that I had received notice that I would be receiving representations for and against the issue of an Authority to Proceed.

Mr. Clappison: To ask the Secretary of State for the Home Department what is the timetable for the exercise of his discretion in the case of Augusto Pinochet. [61864]

Mr. Straw: The Bow Street Magistrate, under section 9(5) of the Extradition Act 1989, has fixed Friday 11 December as the date by which I should decide whether to issue an Authority to Proceed.

Mr. Clappison: To ask the Secretary of State for the Home Department what representations he has received regarding Augusto Pinochet following the judgment of the House of Lords in Regina *v.* Burtle and Commissioner of Police on 25 November. [61867]

Mr. Straw: By the end of Monday 30 November, the Extradition Section at the Home Office had received a number of representations, for and against the issue of an Authority to Proceed.

Mental Illness

Mr. Beith: To ask the Secretary of State for the Home Department on how many occasions he has consulted the Secretary of State for Health on the issue of mentally disordered offenders and mentally ill patients who are a potential threat to the community and themselves; and if he will make a statement. [61156]

Mr. George Howarth: My right hon. Friend and I discuss this matter regularly and our Departments have together been closely examining the opportunity for developing a new framework of law and management for both the mentally ill and those with personality disorders. This is a complex and difficult area, but we hope to make an announcement shortly.

Campsfield House

Mr. Beith: To ask the Secretary of State for the Home Department on how many occasions the contract points requirements have been exceeded at Campsfield House detention centre in each year since its establishment; and if fines *(a)* have been imposed and *(b)* are currently being considered. [61158]

Mr. Mike O'Brien: Unlike contracts between the Home Office and the private sector for the management of some prisons, neither the present contract nor previous contracts for the management and operation of Campsfield House immigration detention centre contain any provision relating to the award of points for contractual performance. Therefore, there has not been, and presently cannot be, any question of exceeding a points requirement at Campsfield House, nor has there at any time been any question of points-related financial penalties.

Dancing (Sundays)

Mr. Blizzard: To ask the Secretary of State for the Home Department what plans he has to reform the law relating to dancing on Sundays. [60998]

Mr. George Howarth: I am considering proposals, put to me on behalf of the industry concerned, for relaxing the constraints imposed by the Sunday Observance Act 1780 on commercially organised dancing on Sundays. I hope to be able to announce the outcome before too long now.

Prison Mother and Baby Units

Dr. Vis: To ask the Secretary of State for the Home Department how many women were refused admission to a mother and baby unit in (i) 1998, (ii) 1997 and (iii) 1996; and if he will list the prisons and the racial origin of the women. [61020]

Mr. George Howarth: The information requested is given in the table.

Women prisoners refused admission to a mother and baby unit

Refused	*1998*	*1997*	*1996*
Holloway	6 (3 white, 2 black, 1 unknown	7 (4 black, 3 white)	8 (racial origin not known)
New Hall	2 (1 black, 1 white)	Not known[1]	Not known[1]
Styal	2 (1 black, 1 white)	0	0
Askham Grange	0	1 (white)	0

[1] Records not available

Criminal Cases Review Commission

Mr. Singh: To ask the Secretary of State for the Home Department how many cases are awaiting determination by the Criminal Cases Review Commission. [61488]

Mr. Boateng: I understand that, at the end of October, 1,015 cases were awaiting review by the Criminal Cases Review Commission, and 456 cases were under active review.

WALES

Fluoridation

Mr. Wigley: To ask the Secretary of State for Wales what assessment he has made of the impact on young children's dental health of introducing water fluoridation in Wales. [61479]

Mr. Jon Owen Jones: The Welsh Office is well aware of oral health benefits conferred by topping up the existing fluoride levels in public water supplies to 1 part per million. The dental decay rate of children aged five years in Anglesey was reduced by 50 per cent. after fluoridation was introduced there in the mid fifties. However, since withdrawal of the last of the Anglesey fluoridation schemes in 1991, there has been a 168 per cent. increase in tooth decay.

Dental decay is increasingly recognised as a disease of childhood and deprivation, and water fluoridation is an ideal and simple way in which to improve oral health.

The recent consultation on the Green Paper 'Better Health, Better Wales' drew considerable support for fluoridation and the Welsh Office is considering the responses in conjunction with other UK Health Departments.

New Deal (Drop-out Rates)

Mr. Wigley: To ask the Secretary of State for Wales what has been the drop-out rate for participants in the New Deal in Wales. [61471]

Mr. Hain: The New Deal offers a flexible package of support which can last from a few days to over a year, according to individual need. The latest revised information provided by the Employment Service shows that 10,800 young people joined the New Deal in Wales between January and September, of whom nearly 2,700 had left by the end of September.

Almost 1,600 young people left the New Deal to take up unsubsidised jobs (59 per cent. of all leavers). Just under 500 others had left for a range of other reasons (for example to transfer onto other more appropriate benefits; to move from their localities; or to enter other training programmes or full-time education). The remaining 590 left for initially unknown destinations, although follow-up surveys by the Employment Service have revealed that many of these young people have actually found work without informing their New Deal Personal Advisers.

Agri-environment Scheme

Ms Lawrence: To ask the Secretary of State for Wales what his plans are for the new Welsh agri-environment scheme, Tir Gofal. [62216]

Mr. Michael: I am submitting a formal application to the European Commission for approval by the Rural Structures Committee. This contains the technical details of the scheme and budget projections for the first five years.

In the light of the Comprehensive Spending Review (CSR), I have made provision of £1.4 million in 1999–2000, £4 million in 2000–01 and £7 million in 2001–02. This allows for 600 new agreements each year at an average cost of just over £5,000 a year per agreement. Payments to farmers are expected to begin in 2000–01.

EDUCATION AND EMPLOYMENT

New Deal (Public Information Campaign)

Mr. Rammell: To ask the Secretary of State for Education and Employment what were *(a)* the target number and *(b)* the actual number of responses to his Department's New Deal public information campaign; and if he will make a statement. [61689]

Mr. Andrew Smith: The marketing campaign is designed to raise employer awareness of New Deal and their willingness to take on unemployed people rather than to achieve a given number of responses. Neverthelesss, the New Deal Information Line and Website have received almost 150,000 responses as well as many more directly to local Jobcentres. Employer awareness of New Deal has been driven up from 34 per cent. pre-campaign to 83 per cent. now.

Mr. Rammell: To ask the Secretary of State for Education and Employment what has been the total expenditure and the breakdown of expenditure on *(a)* public opinion research, *(b)* television, radio and newspaper advertising and *(c)* direct mail incurred by his Department and agencies on the New Deal Public information campaign; and if he will make a statement. [61688]

Mr. Andrew Smith: Expenditure on the national New Deal advertising campaign to 30 November 1998 totalled £11,854,032. Of that, £203,738 has been spent on public opinion research, £9,376,206 on television, radio and newspaper advertising and £325,890 on direct mail.

New Deal (Television Companies)

Mr. Rowlands: To ask the Secretary of State for Education and Employment what estimate his Department has made of the number of jobs provided under the New Deal arrangements by *(a)* the BBC, *(b)* the ITV companies and *(c)* S4C. [61613]

Mr. Andrew Smith: Specific information concerning individual employers' job vacancies and recruitment practices is a matter for those employers; but we are actively encouraging television and radio companies, like others, to recruit through the New Deals.

New Deal (Claimant Representatives)

Dr. Lynne Jones: To ask the Secretary of State for Education and Employment how many claimant representatives there are on each of the New Deal task forces and advisory groups. [61428]

Mr. Andrew Smith: There are no claimants on the national New Deal Task Forces or the Advisory Group to the UK Task Force, but there are representatives of bodies who have campaigned on behalf of claimants and unemployed people.

There are claimant representatives on some local New Deal strategic partnerships but comprehensive information on the people involved is not held centrally.

Service Development Fund

Mr. Burstow: To ask the Secretary of State for Education and Employment if he will make a statement on the purpose of the Service Development Fund included in the Comprehensive Spending Review. [61878]

Mr. Blunkett: Within the total Comprehensive Spending Review settlement for DfEE and local government Education Standard Spending, the Government have created the Service Development Fund to ensure the right balance of funding between the existing agenda and those areas where policy is still being developed. Allocations from this Fund will be conditional on agreement to initiatives which build on essential reforms and offer the best value for money.

Education Standards

Mrs. May: To ask the Secretary of State for Education and Employment what guidance he has given to local education authorities on the relative merits of three tier and two tier systems; and if he will make a statement. [61660]

Ms Estelle Morris: We have not given any guidance to local education authorities on the relative merits of three tier and two tier systems. Schools should be organised to deliver the highest possible standards of education and to reflect parental preference. Local Education Authorities and school governing bodies are best placed to decide on the most effective pattern of provision within their areas, taking account of local circumstances.

Special Educational Needs

Mrs. May: To ask the Secretary of State for Education and Employment if he will list those local education authorities which are failing to process draft statements of SEN within the legally required period; and if he will set out the action taken by his Department with each such authority and list the responses of each authority. [61975]

Mr. Charles Clarke: Figures showing the time taken by all education authorities to produce draft statements in 1996–97 were published by the Audit Commission in March this year. These showed that most LEAs were failing to produce a significant proportion of their statements within the statutory time limits. The Government's Programme of Action for meeting special educational needs, published last month, made it clear that we are committed to achieving a substantial improvement in LEAs' performance and will continue to challenge under-performing LEAs; and that we intend to require LEAs to publish information about the time taken to complete statutory assessments and statements. In addition, we will shortly be providing LEAs with guidance on good practice in this area.

Disability Task Force

Mr. Burstow: To ask the Secretary of State for Education and Employment how many people have accessed the Disability Task Force web page since its launch. [61876]

Ms Hodge: Since the Disability Rights Task Force web page was launched in February this year, it has been visited by just over 7,000 people.

Lone Parents

Mr. Rendel: To ask the Secretary of State for Education and Employment if he will list the expenditure on the New Deal for lone parents in each employment service region. [61963]

Ms Hodge: The total regional expenditure that has been brought to account for the delivery of the New Deal for lone parents up to 31 October 1998 is £4.94 million. This is broken down by the nine ES regions as follows:

Employment Service regions	£
Northern	311,364
Yorkshire and the Humber	436,657
East Midlands and Eastern	394,299
London and South East	1,194,803
South West	565,457
Office for Wales	424,430
West Midlands	433,962
North West	691,453
Office for Scotland	491,717
Total	4,944,142

Scottish Fee Support Review Committee

Mr. Jim Murphy: To ask the Secretary of State for Education and Employment if he will announce the full membership and terms of reference of the Scottish Fee Support Review Committee to be appointed under the Teaching and Higher Education Act 1998. [62172]

Mr. Blunkett: Further to my reply of 23 July 1998, *Official Report*, column *658*, I and my right hon. Friends, the Secretaries of State for Scotland for Wales and for Northern Ireland are pleased to announce the membership of the Scottish Fee Support Review Committee.

The Chairman will be Sir George Quigley, as already announced. Lord Burns, Professor Michael Hamlin and Sir Philip Jones have also agreed to serve as members. Terms of reference for the Committee have been placed in the Library.

The evidence on admissions this year shows an increase in the number of students from England, Wales and Northern Ireland entering Scottish institutions this autumn.

Scottish Fee Support Review: Terms of Reference

In fulfilment of the statutory requirements in section 25(4) of the Teaching and Higher Education Act 1998 and Article 6(4) of the Education (Student Support) (Northern Ireland) Order 1998:

to review the arrangements for England, Wales and Northern Ireland for paying grants for students' fees for the final honours year of first-degree courses at higher education institutions in Scotland, which are generally one year longer than comparable courses elsewhere in the UK;

to consider the impact of those arrangements, taking into account the evidence on admissions in 1998 and applications in 1999 to Scottish higher education institutions, and to consider the need for any change; and

to report to the Secretary of State for Education and Employment, the First Secretary of the National Assembly for Wales, the Scottish Ministers and the Department of Education for Northern Ireland by summer 1999, bearing in mind that the Committee's report is to be laid before each House of the Westminster Parliament and before the Northern Ireland Assembly not later than 1 April 2000.

The Committee's report will be placed in the National Assembly for Wales and the Scottish Parliament at the same time as it is laid before the Westminster Parliament and the Northern Ireland Assembly.

The Committee should take evidence from:

the Committee of Scottish Higher Education Principals, the Committee of Vice-Chancellors and Principals, and the Committee of Heads of Welsh Higher Education Institutions;

such other bodies as the Secretaries of State for Education and Employment, for Wales and for Scotland and the Department of Education for Northern Ireland may invite to make representations; and

any others who may wish to offer evidence.

Scottish Fee Support Review: Membership

Sir George Quigley (Chairman)—Chairman of Ulster Bank (since 1989) and Member of the Qualifications and Curriculum Authority; formerly Permanent Secretary to the Department of Finance and Personnel for Northern Ireland (1982–88), Chairman of the Northern Ireland Economic Council, and member of the National Committee of Inquiry into Higher Education (1996–97).

Lord Burns—formerly Permanent Secretary to HM Treasury (1991–98), and Chief Economic Adviser to the Treasury and Head of the Government Economic Service (1980–91).

Professor Michael Hamlin—formerly Principal and Vice-Chancellor of the University of Dundee (1987–94), Vice-Principal of the University of Birmingham (1986–87) and President of the British Hydrological Society (1995–97); Fellow of the Royal Academy of Engineering.

Sir Philip Jones—Chairman of the Higher Education Funding Council for Wales; formerly Chairman of Total Oil Holdings (1991–98) and Chairman of the Electricity Council (1983–90).

Dyslexia

Mr. Corbyn: To ask the Secretary of State for Education and Employment if he will publish information held by his Department on the number of *(a)* further education and *(b)* university students, broken down by institution, who are diagnosed as dyslexic. [60959]

Mr. Mudie: The available data for higher education students in each higher education institution in the UK are shown in the table. These data are based on self-assessment by students and may differ from the number of students diagnosed as dyslexic. Information on further education students, broken down by institution, who are diagnosed as dyslexic is not held centrally.

Full-time and part-time HE students in the UK as at December 1997
Students who reported themselves as having dyslexia

Institution	*Number of students*
The Open University	404
Cranfield University	30
Royal College of Art	6
College of Guidance Studies	0
Institute of Advanced Nursing Education	0
Bishop Grosscreste College	15
Bretton Hall College of Higher Education	17
Buckinghamshire College of Higher Education	138
Central School of Speech and Drama	13
Chester College of Higher Education	30
Canterbury Christ Church College of Higher Education	49
University College of Ripon and York St. John, North Yorkshire	34
College of St. Mark and St. John	30
Darlington College of Arts	16
Edge Hill College of Higher Education	33
Falmouth College of Arts	53
Harper Adams Agricultural College	55
Homerton College	15
Kent Institute of Art and Design	74
King Alfred's College, Winchester	64
Liverpool Institute of Higher Education	60
The London Institute	78
Loughborough College of Art and Design	6
University of Luton	211
Nene College	69
Newman College	3
North Riding College	12
Ravensbourne College of Design and Communication	5
Roehampton Institute of Higher Education	99
Rose Bruford College of Speech and Drama	14
Royal Academy of Music	4
Royal College of Music	7
Royal Northern College of Music	3
Southampton Institute	235
St. Martin's College	35
St. Mary's College	16
Trinity and All Saints College	1
Trinity College of Music	1
Westminster College	19
Surrey Institute of Art and Design	36
Worcester College of Higher Education	31
Anglia Polytechnic University	71
Bath College of Higher Education	34
Bolton Institute of Higher Education	72
Bournemouth University	155
The University of Brighton	148
The University of Central England in Birmingham	161
The University of Central Lancashire	49
Cheltenham and Gloucester College of Higher Education	117
London Guildhall University	139
Coventry University	192
University of Derby	233
The University of East London	39
The University of Greenwich	154
The University of Hertfordshire	242
The University of Huddersfield	38
The University of Humberside	117
Kingston University	133
Leeds Metropolitan University	165

Full-time and part-time HE students in the UK as at December 1997
Students who reported themselves as having dyslexia

Institution	*Number of students*
Liverpool John Moores University	150
Manchester Metropolitan University	170
Middlesex University	188
De Montfort University	77
The University of Northumbria at Newcastle	134
The University of North London	134
Nottingham Trent University	215
Oxford Brookes University	245
University of Plymouth	230
University of Portsmouth	171
Sheffield Hallam	175
South Bank University	75
Staffordshire University	33
The University of Sunderland	87
The University of Teesside	122
Thames Valley University	54
The University of the West of England, Bristol	291
Chichester Institute of Higher Education	47
The University of Westminster	66
Wimbledon School of Art	22
The University of Wolverhampton	109
Gwent College of Higher Education	61
The North-East Wales Institute of Higher Education	14
Cardiff Institute of Higher Education	63
University of Glamorgan	50
Swansea Institute of Higher Education	24
Trinity College, Carmarthen	0
University of Abertay, Dundee	21
Edinburgh College of Art	36
Glasgow School of Art	32
Moray House Institute of Education	12
Northern College of Education	4
Queen Margaret College	33
Royal Scottish Academy of Music and Drama	9
St. Andrew's College of Education	4
The Scottish College of Textiles	10
The Robert Gordon University	57
University of Paisley	63
Glasgow Caledonian University	57
Napier University	95
Aston University	45
The University of Bath	40
The University of Birmingham	112
The University of Bradford	65
The University of Bristol	43
Brunel University	124
The University of Cambridge	57
City University	88
The University of Durham	79
The University of East Anglia	82
The University of Essex	56
The University of Exeter	125
The University of Hull	72
The University of Keele	31
The University of Kent at Canterbury	120
The University of Lancaster	36
University of Leeds	255
University of Leicester	76
The University of Liverpool	98
Birkbeck College	59
Goldsmith's College	61
Imperial College of Science, Technology and Medicine	26
Institute of Education	0
Kings College London	104
London Business School	1
London School of Economics and Political Science	9
London School of Hygiene and Tropical Medicine	1
Queen Mary and Westfield College	57
Royal Free Hospital School of Medicine	6
Royal Holloway, University of London	48
The Royal Veterinary College	3
St. George's Hospital Medical School	1
The School of Oriental and African Studies	12

Full-time and part-time HE students in the UK as at December 1997
Students who reported themselves as having dyslexia

Institution	*Number of students*
The School of Pharmacy	0
United Medical and Dental Schools of Guy's and St. Thomas's	20
University College London	84
Wye College	17
London University—Senate institutes	1
Loughborough University of Technology	117
The University of Manchester	90
The University of Newcastle-upon-Tyne	128
The University of Nottingham	166
The University of Oxford	103
The University of Reading	113
The University of Salford	116
The University of Sheffield	91
The University of Southampton	241
The University of Surrey	69
The University of Sussex	57
The University of Warwick	62
The University of York	48
University of Manchester Institute of Science and Technology	44
University of Edinburgh	262
University of Glasgow	122
University of Strathclyde	90
University of Aberdeen	110
Heriot-Watt University	62
University of Dundee	106
University of St. Andrews	73
The University of Stirling	8
Scottish Agricultural College	36
St. David's University	61
The University College of Wales, Aberystwyth	71
University College of North Wales, Bangor	177
University of Wales College of Cardiff	81
University College of Swansea	36
University of Wales College of Medicine	11
Welsh College of Music and drama	16
Queen's University of Belfast	44
The University of Ulster	98
The University of Wales, Registry	0
Westhill College	23
Writtle College	44
Northern School of Art and Design	35
Northern School of Contemporary Dance	12
Cumbria College of Art and Design	3
Total	12,860

SCOTLAND

Retirement Flats

Mr. Gorrie: To ask the Secretary of State for Scotland for what reasons his Department is proposing a voluntary code of practice for the management of complexes of retirement flats owned by their occupants. [61083]

Mr. Macdonald: Following representations to Ministers about the management of some owner occupied sheltered housing developments, the Scottish Office convened a meeting of interested parties in July 1996. At the meeting, representatives of developers, management companies, owners and other organisations such as Age Concern Scotland and the Scottish Consumer Council, agreed that a working group should be established to consider a voluntary code that would set out a framework for good practice in the management of owner occupied sheltered housing developments.

Mr. Gorrie: To ask the Secretary of State for Scotland if the voluntary code of practice for the management of complexes of retirement flats owned by their occupants will include provisions relating to *(a)* major repair funds, *(b)* complaint procedures, *(c)* terms in deeds of conditions, *(d)* adherence to these conditions and *(e)* the implementation of an arbiter's award by managing agents. [61084]

Mr. Macdonald: The detailed provisions of the proposed voluntary code of management practice are still under consideration by the working group established by the Scottish Office. However, it is currently envisaged that there would be clauses relating to major repair funds and complaints procedures. The terms of deeds of conditions, adherence to these conditions and the implementation of awards by arbiters are essentially legal matters to be resolved between the parties concerned.

Groundwater Regulations

Mr. Maclennan: To ask the Secretary of State for Scotland what assessment he has made of the impact upon crofters and other small producers of the costs of disposing of spent sheep dip as proposed under the Groundwater Regulations; and if he will make a statement. [61849]

Mr. Macdonald: A copy of the Regulatory Impact Assessment in respect of the Groundwater Regulations 1998 was placed in the Library of the Houses of Parliament on 11 November. The Assessment notes that, in England and Wales, compliance costs for a typical farmer are likely to be £100 recurring costs per annum with non-recurring costs of £85. Broadly similar costs are expected for Scotland.

On 26 November, the Scottish Environment Protection Agency issued for public consultation their proposals for charges under the Regulations. Under the terms of section 42 of the Environment Act 1995, the approval of the Secretary of State must be obtained before a charging scheme is made. In determining whether or not to approve the scheme the Secretary of State must consider any representations or objections duly made to him and not withdrawn. He must also have regard to the desirability of ensuring that the amounts recovered by the Agency by way of the prescribed charges are the amounts which taking one year with another, need to be recovered by the Agency to meet such of the costs and expenses which it incurs in carrying out its functions as he may consider appropriate.

Dornoch Academy

Mr. Maclennan: To ask the Secretary of State for Scotland what recent discussions the Government have had with *(a)* Highland Council and *(b)* Dornoch Academy about bringing the school back into local authority control; and if he will make a statement. [61850]

Mrs. Liddell: The Scottish Office has had continuing constructive discussions with both Dornoch Academy and Highland Council, particularly in relation to the school's annual grant. The Government remain committed to repealing the self-governing schools legislation. This, however, will now be a matter for the Scottish Parliament.

Student Hostels

Mr. Welsh: To ask the Secretary of State for Scotland what representations he has received regarding the transfer to Moray House College of Education of the East Suffolk Road student hostels; what investigation he has made of the events surrounding this transfer and the accounting procedures involved; and if he will make a statement. [61703]

Mrs. Liddell: I have received representations concerning the transfer to Moray House College of Education of the East Suffolk Road student hostels. A comprehensive reply has already been provided. In October, the Scottish Office Education and Industry Department received further representations, on the issue that the transfer of the student hostels to Moray House in 1979 was not correctly undertaken. Since then, officials have received numerous further representations from the same person, as have the Scottish Higher Education Funding Council.

Officials are looking into the matters raised in the recent allegations. I shall write to the hon. Member when their consideration of this is complete.

Housing Partnerships Initiative

Mr. Welsh: To ask the Secretary of State for Scotland for what reasons the new Housing Partnerships Initiative precludes local authorities in Scotland from investing the funding available in local authority owned stock without transferring ownership of this stock outside the local authority. [61678]

Mr. Macdonald: The new Housing Partnerships Initiative aims to promote community ownership and secure private sector finance for affordable housing. Local authorities receive separate capital allocations for works to their own stock.

Tuition Fees

Mr. Welsh: To ask the Secretary of State for Scotland how his figure for the cost of abolishing tuition fees in Scotland was arrived at; over what period it applies; what the annual figures are; and what assumptions underlie the calculation. [61710]

Mrs. Liddell: I am not entirely clear which figure is the subject of the question. The Scottish Office Education and Industry Department has commissioned independent research on the long term savings arising from the recent changes in policy on student support, including the introduction of a means-tested private contribution towards the cost of tuition and the replacement of grants by loans. I have arranged for a copy of an abstract of the results to be placed in the House of Commons Library.

Nitrates Directive

Mr. Welsh: To ask the Secretary of State for Scotland what plans he has to implement the Nitrates Directive in respect of water bodies, rivers and their catchments which exceed the limit of 50mg/l of dissolved nitrates; and if he will make a statement. [61699]

Mr. Macdonald: This Directive is being implemented and we already monitor at all surface water and groundwater locations used for drinking water abstraction.

The Scottish Environment Protection Agency is extending this monitoring network to be representative of all Scottish inland surface waters. This will be used to identify where there are exceedances of the 50 mg/l concentration limit value for nitrate. From this information SEPA will undertake a further review to determine if revised or new Nitrate Vulnerable Zones should be designated.

Before an extended network can be identified for groundwater monitoring it will be necessary to carry out a preliminary study of existing abstraction. I am asking SEPA to set up a groundwater monitoring network by the end of 1999.

Barnacle Geese

Mr. Welsh: To ask the Secretary of State for Scotland what advice he has received from Scottish Natural Heritage in respect of applications for licences for the killing of barnacle geese on the Island of Islay; and if licences will be issued for land within areas designated as special protection areas under EU Directive 79/409/EEC. [61700]

Mr. Macdonald: Advice has been given by Scottish Natural Heritage on the likely effect of limited licences to shoot barnacle geese in specified areas on Islay. Two licences to prevent serious agricultural damage have been issued for a limited period where no other satisfactory solution was available. These licences allow a maximum of 50 barnacle geese to be shot in areas designated as Special Protection Areas under EU Directive 74/409/EEC. The effect of the licensed shooting on the farms and the goose populations will be carefully monitored, and the results will be taken into account before any further licences are issued to farmers on Islay.

Mr. Welsh: To ask the Secretary of State for Scotland what recommendations he has received from the National Goose Forum relating to geese on Islay. [61701]

Mr. Macdonald: None. The National Goose Forum is not due to report on a national policy framework for managing potential conflicts between geese and agriculture until Summer 1999.

SOCIAL SECURITY

Benefit Integrity Project

Mrs. May: To ask the Secretary of State for Social Security (1) if the actual and estimated savings quoted by his Department for the Benefit Integrity Project are savings that incorporate the full costs of the investment and running costs of the Project; [60982]

(2) if he will make a statement on the accounting procedures used by his Department in calculating the savings generated by the Benefit Integrity Project. [60981]

Mr. Timms: The administration of the Benefit Integrity Project is a matter for Peter Mathison, the Chief Executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mrs. Theresa May, dated 30 November 1998:

The Secretary of State has asked me to reply to your recent Parliamentary Questions asking if the actual and estimated savings quoted by his Department for the Benefit Integrity Project (BIP) are savings that incorporate the full costs of the investment and running costs of the Project, and if he will make a statement on the accounting procedures used by his Department in calculating the savings generated by BIP.

Estimates of benefit savings from BIP assume that cases with a changed award would have remained on their original level of benefit for 32 weeks. This is an assumption common to Benefits Agency activity. A proportion of total savings for cases reviewed in any particular year are allocated to the two subsequent years. This takes account of some benefit recipients being reviewed towards the end of the financial year, and the variation in the length of time recipients with a changed award would have remained on their original level of benefit. Estimated benefit savings relate solely to programme expenditure and is accounted for in the annual Vote 1 Appropriation Accounts.

The estimate includes the cost of reviews and appeals. It also takes account of additional savings from some cases losing premiums in the income related benefits, some carers losing Invalid Care Allowance, and losing access to free road tax through the loss of entitlement to the Disability Living Allowance Higher Rate Mobility Component. The cost of investment and the running costs for the project are not included in the estimate of benefit savings but form part of the Agency's overall running costs, set out in the Vote 3 Appropriation Accounts.

I hope you find this reply useful.

Mrs. May: To ask the Secretary of State for Social Security what *(a)* the original assumptions were and *(b)* the current savings assumptions are for the Benefit Integrity Project in (i) 1997–98 and (ii) 1998–99; what factors were taken into account in the revision of savings assumptions for the Benefit Integrity Project for 1997–98 and 1998–99; and if the costs of the Benefit Integrity Project include the costs of appeals following decisions made under the scheme. [60983]

Mr. Timms: The administration of the Benefit Integrity Project is a matter for Peter Mathison, the Chief Executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mrs. Theresa May, dated 27 November 1998:

The Secretary of State has asked me to reply to your recent Parliamentary Question asking what (a) the original assumptions were and (b) the current savings assumptions are for the Benefit Integrity Project (BIP) in (i) 1997–98 and (ii) 1998–99; what factors were taken into account in the revision of savings assumptions for BIP for 1997–98 and 1998–99; and if the costs of BIP for 1997–98 and 1998–99 include the costs of appeals following decisions made under the scheme.

The original estimate of benefit expenditure savings from BIP was £20m in 1997–98 and £30m in 1998–99. It was based on the results of the Disability Living Allowance Benefit Review, published February 1997. The current estimate of savings are £8m in 1997–98 and £30m in 1998–99. It is based on monitoring information from BIP and reflects the delayed start of the project in 1997 and subsequent changes to the range of people included in the exercise. The estimate takes account of the cost of reviews and appeals. It also takes account of additional savings from some cases losing premiums in the income related benefits, some carers losing Invalid Care Allowance, and losing access to free road tax through the loss of entitlement to the Disability Living Allowance Higher Rate Mobility Component.

Both estimates assume that cases with a changed award would have remained on their original level of benefit for 32 weeks. This is an assumption common to Benefits Agency activity. A proportion

of total savings for cases reviewed in any particular year are allocated to the two subsequent years. This takes account of some benefit recipients being reviewed towards the end of the financial year, and the variation in the length of time recipients with a changed award would have remained on their original level of benefit.

I hope you find this reply useful.

Child Support Agency

Mr. Rendel: To ask the Secretary of State for Social Security (1) what are the achieved levels of accuracy of the CSA for each region; [61449]

(2) for each region, what are the levels of outstanding debt in the CSA; and what percentage of that debt is classed as unrecoverable; [61448]

(3) for each region what is the current backlog of cases at the CSA; and how many of those have been outstanding for over one year; [61446]

(4) what percentage of debt balances calculated by the CSA contain errors, for each region; [61450]

(5) what is the average amount of time taken between the referral of a case for assessment by the CSA, the making of a maintenance assessment, and the first maintenance sum paid, for each region; [61452]

(6) when the current backlog of cases within the CSA is expected to be cleared, for each region; [61447]

(7) what is the current rate of non-compliance with payment of maintenance assessments by the CSA, for each region; [61445]

(8) what is the average time taken to transfer collected maintenance to parents with care, for each region. [61453]

Angela Eagle: We expect the Child Support Agency to provide a consistent, fair and efficient service to all its clients. We have set out proposals for radical reform in our Green Paper "Children First: a new approach to child support" (Cm 3992).

The administration of the Child Support Agency is a matter for the Chief Executive, Mrs. Faith Boardman. She will write to the hon. Member.

Letter from Faith Boardman to Mr. David Rendel, dated 30 November 1998:

I am replying to your Parliamentary Questions to the Secretary of State for Social Security about the Child Support Agency.

I cannot provide precisely all the information that you have requested, but have provided as much as possible from the most recent information available.

The Agency has six front-line Business Units; each of these consists of a Child Support Agency Centre and associated Field Offices. Information has been provided for each Business Unit.

The Agency measures the accuracy of maintenance assessments against targets set by the Secretary of State. For 1997/98, the target was for the cash value of all maintenance assessments checked in the year to be correct to the last penny in at least 85% of cases. The Agency met this target scoring an accuracy rate of 86%.

In 1998/99, the Agency is measuring the accuracy more stringently by examining the last full assessment rather than just the last work carried out, which could have been a simplified review not requiring a full assessment. The revised methodology is closer to that used by the National Audit Office. The checks will be more reliable, measuring accuracy of assessments to the last penny in earlier years as well as more recent changes to assessments. However, this may result in a larger number of inaccurate assessments being identified in the short term because it will reflect earlier periods in which the accuracy of assessments was lower than it now is. As a result the accuracy target is lower for 1998/99, and requires the cash value of all assessments checked in the year to be correct in at least 75% of cases. The Agency will be looking to improve on the accuracy target in 1999/2000 and following years.

At 31 October 1998 the accuracy level (against this revised criteria) achieved by the Agency was 75%. The levels achieved by each Business Unit are shown in the attached table.

The report of the Comptroller and Auditor General to the House of Commons which was published as part of the Agency's Annual Report for 1997/98 noted that when examining non-resident parents' maintenance balances, National Audit Office staff had identified that some error had occurred at some point in the history of the account in 79% (85% in 1996/97) of the cases examined. In the large majority of cases these inaccuracies had a relatively small monetary effect, and need to be put in the context that on average cases require to be worked at about 3 times a year. This assessment was based on a sample of cases going back to the start of the Agency, but it is a matter of public record that during its first two years the Agency frequently made errors when assessing maintenance. We recognise the legacy of this problem and aim to tackle this by getting cases right first time and will review older cases as the opportunity arises. We estimate that by the end of 1998/99 we will have had the chance in our normal course of work and through periodic reviews to look at many of those individual accounts which stem from the start of the Agency.

The Agency has been concerned that the full maintenance debt reported previously was not a true reflection of the amount ever likely to be collected. Following a Debt Analysis Exercise we have therefore identified that part of the debt which is probably uncollectable and removed it to show a more realistic debt position. This change was introduced in the Agency's Annual Report and Accounts for 1997/98. This revised format is in response to the Committee of Public Accounts recommendation that the Agency "... examine the scope for eliminating a significant amount of this debt, since it is unlikely ever to be collected ...".

At 31 October 1998 the amount of child support full maintenance assessment debt was £480,340,622. This can be broken down further to £280,038,583 (58.3%) collectable debt, £186,852,502 (38.9%) possibly uncollectable debt and £13,449,537 (2.8%) deferred debt. Deferred debt is where the Agency has deferred the debt indefinitely, provided non-resident parents meet certain conditions on payment of regular maintenance and any remaining debt. Where appropriate the parent with care will be compensated for the loss of this money. Details for each Business Unit are shown in the attached table.

To further increase the flow of maintenance and to help non-resident parents pay the arrears that they owe, wherever possible the Agency makes every effort to re-schedule debts; re-scheduled debts are those where the Agency has negotiated a closely monitored agreement with the non-resident parent to pay arrears by instalments. The amount of debt re-scheduled included in the £480,340,622 at 31 October 1998 was £374,392,076.

The Agency does not collect information on average processing times for the clearance of maintenance assessments. The Agency measures the clearance of maintenance assessments against targets set by the Secretary of State. The age at clearance is measured from the date of the initial application. In Income Support cases where the Benefits Agency have conducted a pre-adjudication visit as part of the Closer Working arrangement, the date of initial application is the date of the visit.

The Agency does not currently measure the time between application and payment due to the several factors that have an influence on when a payment is due (the payment preferences of the parent with care and the non-resident parent, and the non-resident parent's pay frequency) and in turn actually made. The speed with which assessments can be cleared is constrained by the complexities

of the current legislation which can require up to 104 separate pieces of information to be collected and verified before an assessment can be made, however the Agency is steadily reducing the time taken and is clearing the backlog of applications from the early years.

For 1997/98, the Secretary of State target required 525,000 maintenance applications to be cleared; 60 per cent. of new applications to be cleared within 26 weeks and on 31 March 1998 no more than 5 per cent. of all maintenance applications to be over 52 weeks old. The Agency met this target with 595,000 clearances (13 per cent. above target), 72 per cent. of new applications cleared within 26 weeks and reduced the maintenance assessment backlog (i.e. cases which are over 52 weeks old and have not yet been assessed) to less than 5 per cent of applications received.

The 1998/99 target is even more challenging; 65 per cent. of cases to be cleared within 22 weeks and on 31 March 1999 there to be no application outstanding over 52 weeks old. At 31 October 1998 the Agency was clearing 65 per cent of cases within 22 weeks. The levels achieved by each Business Unit are shown in the attached table.

At 31 March 1998 the Agency had approximately 306,900 maintenance assessment cases on hand; approximately 110,000 of these were over 52 weeks old. To achieve the target to have no applications outstanding over 52 weeks old at 31 March 1999 all these 306,900 cases need to be cleared during 1998/99. At 31 October 1998 108,695 of these cases are outstanding; it is not possible to state how many of these cases are currently outstanding over 52 weeks, however we are ahead of profile to achieve the target by March. Details for each Business Unit are shown in the attached table. From 1 April we expect to have no applications outstanding over 52 weeks old.

As the older cases are cleared some non resident parents will inevitably be assessed as owing arrears for periods dating back a number of years. As recently announced by Ministers, the temporary scheme limiting the collection of initial payment period arrears to six months as long as the non resident parent is fully compliant for a period of 12 months has recently been extended.

Additionally, from Monday 30 November, the scheme will be extended to include cases where arrears have arisen due to delays in reviews carried out on change of circumstance and in the periodic reviews carried out every two years.

The Agency currently has a nil-compliance rate of 20.38%. Details of each Business Unit are shown in the attached table.

We do not collect average processing times to transfer collected maintenance to parents with care. We measure the speed of payment to parents with care against a Secretary of State Target. The Agency exceeded the 1997/98 target which required that 97% of payments be passed to the parent with care within ten working days of receipt from the non-resident parent. At 31 October 1998 97%. of payments made to the parent with care were made within 10 working days of receipt from the non-resident parent. Details for individual Business Units are included in the attached table.

1997/98 saw a significant improvement in the Agency's performance. Through the hard work and dedication of the Agency's staff, for the first time in our five year history we met or bettered all of our Secretary of State targets. Letters of complaint to the Agency and to MPs continued to fall as a percentage of our caseload. But we accepted the need to improve our all-round performance in line with concerns expressed by Parliamentary Committees and Stakeholder Groups, rather than just our performance against formal targets.

In the short term, we are looking at the ways that we can change the way we deliver our service to address customers immediate concerns; to this end we have reviewed the way that we handle complaints and we have increased resources for our Client Helplines and the National Enquiry Line, extended our hours of opening to cover 8.00am to 8.00pm Monday to Friday and 9.00am to 5.00pm on Saturdays and begun pilots to greatly improve and increase clients' opportunities to secure a face to face service. For the longer term, we are looking at the ways that we measure our performance to ensure that our focus is on providing a service that meets our clients' qualitative needs as well as achieving formal numerical targets.

I hope this is helpful.

Child Support Agency—operational statistical information by Business Unit
31 October 1998

	Midlands	*South Eastern*	*Scotland and North East*	*South West*	*Wales and North West*	*Eastern*
Accuracy[1]	73%	70%	76%	81%	77%	70%
Full maintenance assessment debt	£93,160,638	£55,398,436	£83,710,444	£90,149,318	£67,284,354	£90,637,432
—collectable	£54,312,652	£32,297,288	£48,803,189	£52,557,052	£39,226,778	£52,841,623
—possibly uncollectable	£36,239,488	£21,549,992	£32,563,363	£35,068,085	£26,173,614	£35,257,961
—deferred	£2,608,498	£1,551,156	£2,343,892	£2,524,181	£1,883,962	£2,537,848
Maintenance assessment clearances within 22 weeks	57%	62%	75%	61%	70%	64%
Cases with potential to be over 52 weeks old on 31 March 1999[2]	16,503	23,785	14,105	10,554	18,094	25,654
Non-compliance	21.75%	22.82%	17.55%	18.88%	18.13%	23.88%
Speed of payment to parent with care	98%	97%	98%	98%	98%	94%

[1] The Agency is measuring the accuracy more stringently by examining the last full assessment rather than just the last work carried out, which could have been a simplified review not requiring a full assessment—as a result the accuracy target is lower for 1998/99.
[2] The Agency forecast there will be no maintenance assessments over 52 weeks old by 31 March 1999 and are ahead of profile to achieve this.

Mr. Rendel: To ask the Secretary of State for Social Security when his Department intends to publish the draft Bill on reform of the Child Support Agency. [61962]

Angela Eagle: The consultation period on the Green Paper finished on 30 November 1998. Final decisions on the shape of the reformed child support scheme and the associated legislative process will be announced in due course.

Housing Benefit

Mr. Webb: To ask the Secretary of State for Social Security if he will list the length of time taken in issuing housing benefit for each local authority in the United Kingdom. [61869]

Angela Eagle: The latest available data on local authority performance are for 1996–97. This is published in "Council Services Compendium" by the Audit Commission for England and Wales, and "Comparing the Performance of Scottish Councils" by the Accounts Commission for Scotland. These publications are available in the Library.

Mr. Webb: To ask the Secretary of State for Social Security what plans his Department has to prevent local reference rent rules resulting in landlords refusing to let to claimants of housing benefit. [61870]

Angela Eagle: We are currently reviewing the Housing Benefit rules with the Local Authority Associations to ascertain what changes, if any, are necessary to improve

the way the benefit is administered and remove anomalies from the system. The impact of the rent restriction rules is part of that review which is due to end early next year.

Pensioners' Incomes Series

Mr. Webb: To ask the Secretary of State for Social Security for what reasons there has been a delay in the publication of the Pensioners' Incomes Series for 1996–97; and when he expects to publish the report. [61873]

Mr. Denham: The Pensioners' Incomes Series 1996–97 will be published on 10 December 1998, rather than 26 November. The delay was caused by further work being necessary to ensure the accuracy of the publication.

Habitual Residence Test

Mr. Rendel: To ask the Secretary of State for Social Security when he expects to publish the review of the Habitual Residence Test. [61875]

Angela Eagle: Work on the review of the Habitual Residence Test is ongoing. However, we wish to take account of all relevant evidence and information before drawing any conclusions. This clearly needs to include the outcome of litigation which could have a significant impact on the scope for reform of the test, such as the case of Mr. Robin Swaddling currently under the deliberation of the European Court of Justice. We will therefore bring forward our recommendations once we have received and considered the judgment of the European Court in this case.

Benefits Agency Medical Services

Mr. Field: To ask the Secretary of State for Social Security if he will make a statement on the current operating difficulties in the Benefits Agency Medical Services. [61874]

Angela Eagle: The provision of Medical Services was contracted out to Sema Group on 1 September 1998. One of the objectives of contracting out medical services was to improve service provision. With this in mind the targets that have been set in the contract reflect the improvements the Department is seeking. Sema, however, are not yet achieving the targets that have been set for Incapacity Benefit, Disability Living Allowance, and Industrial Injuries. The contract recognises that service improvements cannot be achieved overnight and allows a six month period before remedies are applied for failure to deliver to contract levels.

Sema Group have developed a Service Improvement Plan which demonstrates how continuous improvements will be made to the service. This is being closely monitored by the Contract Management Team and we are regularly apprised of progress.

In addition there have been some difficulties in respect of payment of fees to doctors for the work they have performed since 1 September 1998. As a result of new procedures some payments have been delayed or wrongly calculated. Sema have acted quickly and made additional payments where errors have been identified. They are also improving procedures to ensure that errors do not occur in the future.

We are monitoring the situation closely.

Disability Benefits

Mr. Duncan Smith: To ask the Secretary of State for Social Security how many of the representations from disability groups received by the Government during the consultation period before they proposed their changes to disability benefits advocated the abolition of severe disablement allowance. [61695]

Mr. Timms: *[Holding answer 30 November 1998]:* The Green Paper "New ambitions for our country: a new contract for welfare" set out the general principles for welfare reform rather than specific proposals for reforming individual benefits.

We consulted widely following the publication of the paper in March. Over 1,050 responses were received from numerous organisations including organisations of and for disabled people, most of which welcomed our approach.

In October we published a consultation Paper "A new contract for welfare—Support for Disabled People" which contains proposals for the reform of Severe Disablement Allowance. We are consulting on these proposals and we will consider all comments and alternative proposals made as part of the consultation process. The consultation period ends on 8 January 1999.

TREASURY

Euro

Mr. Rammell: To ask the Chancellor of the Exchequer what plans he has for a public information campaign on preparing for the euro; and if he will make a statement. [61685]

Ms Hewitt: The Euro Preparations Unit's (EPU) communication campaign on the euro is not a general public information campaign but is specifically targeted at ensuring that UK businesses, especially small and medium enterprises (SMEs), are aware of the implications of the introduction of the single currency from 1 January 1999 and have the information they need to address the issues arising from this.

The EPU's business communication campaign on the euro has proved highly effective in reaching its target audience of SMEs. Since the beginning of May, there have been requests for over 300,000 "business preparations for the euro" factsheet packs from businesses and key intermediary bodies.

Mr. Rammell: To ask the Chancellor of the Exchequer what has been the total expenditure and the breakdown of the expenditure on *(a)* public opinion research, *(b)* television, radio and newspaper advertising and *(c)* direct mail by the Euro Preparations Unit; and if he will make a statement. [61687]

Ms Hewitt: The Euro Preparations Unit's (EPU) business communication campaign on the euro has proved highly effective in reaching its target audience of small and medium enterprises (SMEs). Since the beginning of May, there have been requests for over 300,000 "business preparations for the euro" factsheet packs from businesses and key intermediary bodies.

The EPU received Summer Supplementary Estimate provision of £7.5 million for 1998–99. Spend to date has been approximately £0.5 million for direct mailing to 1.6 million UK SMEs, and £4.75 million for the costs of the television, press and radio elements of the campaign. The EPU has not conducted any public opinion research, but has conducted two statistical business survey reports costing approximately £75,000. These surveys track overall euro awareness and preparations amongst UK SMEs as well as measuring the success of the EPU's communications campaign. These figures do not include VAT or postage.

Petroleum Products (Cross-border Smuggling)

Mr. Donaldson: To ask the Chancellor of the Exchequer if he will make a statement about the smuggling of petroleum products into Northern Ireland from the Irish Republic. [61925]

Ms Hewitt: Both the Government and Customs are aware of the situation with the illegal importation of road fuel into Northern Ireland for resale and recognise that it is a serious problem which disadvantages legitimate traders. Customs are deploying resources and actively mounting investigations against those involved to counter the threat posed to the revenue and to the Northern Ireland business community. Customs are taking the lead on this issue but are acting in conjunction with other authorities, including the Royal Ulster Constabulary, to make seizures of oil tankers and vehicles carrying oil tanks filled with illegally imported fuel for resale. Whenever possible, cases are progressed with a view to criminal prosecution of the individuals involved.

Developing Countries (Debt)

Mr. Canavan: To ask the Chancellor of the Exchequer what recent discussions he has had with the World Bank and the IMF about the debt problems of developing countries; and if he will make a statement. [61720]

Ms Hewitt: The Chancellor spoke about debt relief at the Annual Meetings of the IMF and World Bank in October, calling for: a comprehensive review of the HIPC initiative to take place prior to the 1999 Annual meetings; the IMF and World Bank to take forward urgently work on how to help post-conflict countries, especially those with large arrears to the IFIs; the international community to aim to ensure that 22 countries could have reached their decision points by the end of 1999. The first two issues have now been agreed by the IMF and World Bank.

Following the devastation caused in Central America by hurricane Mitch, the Chancellor and the Secretary of State for International Development wrote to the IMF, World Bank and Inter-American Development Bank on 10 November, urging these institutions to consider various measures for reducing the debt burdens of the countries worst hit, especially Honduras and Nicaragua. Amongst other things, they suggested setting up a Trust Fund to help pay the debt service that these countries owe the IFIs. The UK has donated £10 million to the Trust Fund, which is presently being set up by the World Bank.

At a recent meeting in London with the President of the World Bank, the Chancellor discussed how the HIPC initiative could be used to help secure further debt relief for Honduras and Nicaragua—the poorest countries in the region.

Budget Council

Mr. Hood: To ask the Chancellor of the Exchequer what was the outcome of the Budget Council held in Brussels on 24 November; and if he will make a statement. [61650]

Ms Hewitt: On 24 November, the Budget Council gave its second reading of the draft 1999 EC budget setting commitments at some 97 billion euros (£67 billion) and payments at 85 billion euros (£59 billion). This represents an increase of some 6.6 per cent. in commitments and 2.5 per cent. in payments compared to the 1998 budget, almost all of which is accounted for by unavoidable increases in structural funds appropriations required under the terms of the Edinburgh agreement of 1992. The Council's second reading leaves a margin of some 6.4 billion euros below the ceiling on the financial perspectives. A detailed description of the Council's second reading of the budget is given in an explanatory memorandum which the Government are submitting to the European Scrutiny Committee.

Individual Savings Accounts

Mr. Sayeed: To ask the Chancellor of the Exchequer if he will list those consulted and the comments made by them in the consultation process, on the basis of which the Inland Revenue estimated that the start up costs of ISAs would be £250 million. [61184]

Ms Hewitt: The Revenue received almost 300 responses to the original ISA consultation, and over 100 to the later consultation on the draft ISA regulations, from trade bodies or firms. Officials attended a large number of meetings with industry bodies, and took part in several industry conferences between January and July. Detailed questions about compliance costs were followed up with a number of organisations. Details of these discussions cannot be released for reasons of commercial confidentiality.

Mr. Sayeed: To ask the Chancellor of the Exchequer what information is required by his Department to provide a breakdown of the costs incurred for new computer installation, staff and sales force re-training and administration for the start-up of ISAs; and what steps he intends to take to *(a)* acquire that information and *(b)* make such estimates. [61183]

Ms Hewitt: We shall monitor the ISA scheme as it develops, and this will include compliance cost issues.

Alcohol Smuggling

Mrs. Dean: To ask the Chancellor of the Exchequer what progress has been made in reducing the amount of alcohol illegally imported into Britain. [61535]

Dawn Primarolo: In July 1997, the Government announced a review of alcohol and tobacco smuggling and fraud, which was carried out by Customs & Excise in consultation with the trade. Customs & Excise has been allocated an extra £35 million over the next 3 years to tackle this problem. Over 100 additional frontline staff are currently being appointed. In the first 6 months of the current financial year, the revenue detected has been more than the amount for the same period last year.

National Debt

Mr. Salmond: To ask the Chancellor of the Exchequer what proportion of the current United Kingdom national debt was built up over the period 1978–79 to 1994–95; and what proportion of the current interest payments on debt are associated with the debt built up over that period. [61704]

Ms Hewitt: The National Debt rose by £270.3 billion between 31 March 1978 and 31 March 1995, and stood at £419.2 billion at 31 March 1998. Hence the proportion built up over this period is 64.5 per cent. Net public sector debt rose by £206 billion between 31 March 1978 and 31 March 1995 and stood at £352 billion at 31 March 1998. The proportion built up over the period is 58.5 per cent. The proportion of total debt interest payments incurred over the period can be estimated precisely but should be roughly similar to the proportion of debt.

Labour-intensive Services (VAT)

Mr. Whittingdale: To ask the Chancellor of the Exchequer what discussions his Department has held on a reduced VAT rate on labour intensive services; and if he will make a statement. [61886]

Dawn Primarolo: The European Commission's suggestion that Member States should be allowed to apply a reduced VAT rate on an experimental basis to certain local labour-intensive services was discussed at the Council of Finance Ministers on 16 February 1998. It has also been discussed in meetings of the Council Working Party on Financial Questions. However, the Commission has not yet brought forward any formal proposals on this subject.

Electronic Commerce (Taxation)

Mr. Whittingdale: To ask the Chancellor of the Exchequer what is his policy on the taxation of electronic commerce; and if he will make a statement. [61881]

Dawn Primarolo: The Inland Revenue and Customs and Excise published a joint policy paper setting out the UK's policy on the taxation of electronic commerce on 6 October 1998.

Pre-Budget Report

Mr. Gibb: To ask the Chancellor of the Exchequer (1) if he asked the National Audit Office to audit the key assumptions and conventions underpinning the fiscal projections in the Pre-Budget report; [61035]

(2) for what reason no Audit of Assumptions for the Pre-Budget report was published. [61034]

Ms Hewitt *[holding answer 27 November 1998]:* The Code for Fiscal Stability requires the Treasury to invite the National Audit Office to audit any changes to the key assumptions and conventions underpinning the fiscal projections. The assumptions and conventions used for the projections in the Pre-Budget Report were unchanged from those used in the March Budget.

Mr. Gibb: To ask the Chancellor of the Exchequer if the Government have asked the National Audit Office to review the change of assumptions in unemployment from 1.65 million as set out in the Audit of Assumptions for the July 1997 Budget Projection to 1.3 million in the 1998 Pre-Budget report. [61036]

Ms Hewitt *[holding answer 27 November 1998]:* In its report to Parliament dated 19 June 1997 (Cm 3693), the National Audit Office audited a flat planning assumption for unemployment. The use of a flat assumption is a long-standing convention that has been used in all subsequent published Treasury forecasts.

Shamrock Case

Mr. Gibb: To ask the Chancellor of the Exchequer if he will make a statement on the Shamrock case. [61043]

Dawn Primarolo *[holding answer 27 November 1998]:* If the hon. Member would let me know what aspect of this case concerns him, I will reply as soon as possible.

Commercial HP Leasing

Mr. Gibb: To ask the Chancellor of the Exchequer what the total value was of commercial HP leasing arrangements in *(a)* 1995–96, *(b)* 1996–97 and *(c)* 1997–98. [61044]

Ms Hewitt *[holding answer 27 November 1998]:* The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mr. Nick Gibb, dated 1 December 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your recent parliamentary question on commercial HP leasing arrangements.

The information sought is not available from official statistics. Information collected by government statisticians on lending by financial institutions to businesses in the UK does not distinguish between products, except to the extent that these coincide with aggregates used in national accounting or other systems. In official statistics finance leasing is separate from other forms of credit extended to business but no distinction is made between hire purchase loans and other loans and advances.

The Finance and Leasing Association, the trade association of the industry, publishes comprehensive data on business transacted by its member firms, analysed inter alia by product type (including lease/hire purchase). These data are compiled by a private organisation and are not used in official statistics. The Association is at 15–19 Kingsway London WC2B 6UN; telephone 0171 836 6511.

Jobseeker's Allowance

Mr. Don Foster: To ask the Chancellor of the Exchequer if he will list for *(a)* each delivery unit for which the figures are available and *(b)* for each month from January to April 1998, the rate at which 18 to 24 year olds ceased jobseeker's allowance claims and went into jobs in non-pathfinder areas broken down by (i) men, (ii) women, (iii) people with disabilities and (iv) those from ethnic minority groups. [61080]

Ms Hewitt *[holding answer 30 November 1998]:* The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mr. Don Foster, dated 1 December 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your recent parliamentary question on the rate at which 18 to 24 year olds ceased jobseeker's allowance claims and went into jobs in non-pathfinder areas.

ONS does not collect data on the disability or ethnicity of claimants, or the location of jobs people take up on leaving the claimant count. Delivery Units are not standard geographies, but from early in the New Year, best-fit data for delivery units for the number of claimants split by age and sex will be available from the Nomis database that can be accessed by the House of Commons Library.

Wages

Mr. Boswell: To ask the Chancellor of the Exchequer how many workers in the United Kingdom currently *(a)* earn under £8,000 per annum, *(b)* earn between £8,000 and £10,000 per annum, *(c)* earn between £10,000 and £12,000 per annum and *(d)* earn over £12,000 per annum. [61933]

Ms Hewitt: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mr. Tim Boswell, dated 1 December 1998:

As the Director of the Office for National Statistics (ONS), I have been asked to reply to your recent parliamentary question on earnings.

The latest available information, from the New Earnings Survey April 1998, is contained in the following table.

Employees (in the same job as last year) on adult rates, including those whose pay for the survey period was affected by absence—
New Earnings Survey, April 1998
United Kingdom

Percentage with gross annual earnings	*Full-time*	*Part-time*	*All*
Less than £8,000	6.3	76.4	23.2
£8,000 to £10,000	8.1	8.6	8.2
£10,000 to £12,000	11.2	5.1	9.7
£12,000 or more	74.4	9.9	58.9

Source:
New Earnings Survey, Office for National Statistics

FOREIGN AND COMMONWEALTH AFFAIRS

Agenda 2000

22. **Mr. Paice:** To ask the Secretary of State for Foreign and Commonwealth Affairs when he expects the completion of the Agenda 2000 proposals. [61401]

Ms Quin: At the Cardiff European Council in March this year, Heads of State or Government agreed that political agreement to the Agenda 2000 package should be reached no later than March 1999. Both Austria, who hold the Presidency now, and Germany, who will hold the Presidency for the first 6 months of 1999, have expressed their commitment to that timetable.

25. **Mr. Watts:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about progress on Agenda 2000. [61404]

Ms Quin: Steady progress has been made in the past month or two. The Vienna European Council on 11–12 December will not take final decisions, but the Presidency are preparing a report identifying the key political issues that need to be resolved as part of the overall agreement, and also a compendium of negotiating texts reflecting the current state of discussion. Agreement no later than March 1999, in line with the Cardiff European Council conclusions, is achievable.

Canada

23. **Mr. Illsley:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will visit Canada to discuss the creation of the new territory of Nunavut. [61402]

Mr. Tony Lloyd: We have no plans to visit Canada to discuss the creation of the new territory of Nunavut.

UN Finances

24. **Mr. Jack:** To ask the Secretary of State for Foreign and Commonwealth Affairs when he last addressed the General Assembly of the United Nations; and what aspects of reform of United Nations finances were covered. [61403]

Mr. Tony Lloyd: In his address to the General Assembly on 23 September 1997, my right hon. Friend the Foreign Secretary argued for reform of UN finances to put them on a sound and equitable basis. My right hon. Friend the Prime Minister told this year's General Assembly that all parts of the UN system needed secure funding.

Iran

26. **Mr. Gapes:** To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the implications for regional and international security of recent Iranian tests of long-range missiles. [61405]

Mr. Tony Lloyd: We were extremely concerned by Iran's flight test of its Shahab 3 ballistic missile in July. Although the system is still in its development phase, its approximate range of 1300km means that the possibility of its future deployment threatens the stability of the whole of the Middle East.

Whilst we understand Iran's legitimate security concerns, we have repeatedly urged the Iranian authorities to refrain from developing ballistic missiles. It is in nobody's interest for an arms race to develop in this already volatile region.

29. **Mr. Dismore:** To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Government of Iran on the funding of *(a)* Hezbollah and *(b)* Hamas. [61408]

Mr. Fatchett: We and our EU colleagues have frequently raised with the Iranians our concerns about their support for groups who use violent methods to oppose the Middle East peace process, and will continue to do so.

However, during my right hon. Friend the Foreign Secretary's meeting with the Iranian Foreign Minister on 24 September, Dr. Kharrazi reaffirmed his Government's

strong condemnation of terrorism in all its forms. Iran has strongly condemned terrorist attacks in Egypt and Algeria and rejected attacks upon civilians anywhere. We welcome these positive developments.

Middle East Peace Process

27. **Dr. Starkey:** To ask the Secretary of State for Foreign and Commonwealth Affairs when he next expects to meet the Prime Minister of Israel to discuss the middle east peace process; and if he will make a statement. [61406]

Mr. Robin Cook: I refer my hon. Friend to the answer I gave earlier in the House today to my hon. Friend the Member for Scarborough and Whitby (Mr. Quinn), *Official Report*, column 656.

Burma

28. **Mrs. Fyfe:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on UK relations with Burma. [61407]

30. **Mr. David Heath:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his policy in respect of Myanmar. [61410]

Mr. Fatchett: We deplore the Burmese authorities' disregard for human rights and democracy. We are working for an end to these abuses and the start of substantive political dialogue with NLD, including Aung San Suu Kyi, and ethnic minority groups.

Cyprus

31. **Mr. Love:** To ask the Secretary of State for Foreign and Commonwealth Affairs what action is being taken to sponsor dialogue between the two communities in Cyprus. [61411]

Ms Quin: We remain committed to supporting the UN Secretary-General's efforts to reach a comprehensive political settlement in Cyprus through direct negotiations between the leaders of the two communities.

We and international partners continue to promote activities at all levels which foster dialogue between the Greek Cypriot and Turkish Cypriot communities in Cyprus.

Iraq

32. **Mr. Pearson:** To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of Iraq's compliance with United Nations resolutions. [61412]

Mr. Fatchett: It is the unanimous view of the Security Council that Iraq has not fulfilled its obligations under the relevant UN resolutions.

34. **Mr. Dalyell:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his meeting with the 16 dissident Iraqi groups on 23 November. [61415]

Mr. Fatchett: I met London representatives of various Iraqi opposition groups on 23 November.

Lockerbie

33. **Sir Teddy Taylor:** To ask the Secretary of State for Foreign and Commonwealth Affairs what progress has been made in resolving the issue of the proposed trial in The Hague of the alleged Lockerbie suspects. [61413]

Mr. Tony Lloyd: We have provided comprehensive clarification on issues raised by Libya through the UN on the terms of the initiative. These answers demonstrate that we are acting in good faith. We are in close touch with the UN Secretary-General, who is mandated by the UN Security Council resolutions to seek Libyan compliance. We now look to Libya for a prompt and positive response.

Democratic Republic of Congo

35. **Ms Oona King:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the situation in the Democratic Republic of Congo. [61416]

Mr. Tony Lloyd: Britain is working hard for peace. We are actively encouraging all states involved in the fighting in the Democratic Republic of Congo to pursue a negotiated settlement. We have made it clear that there can be no military solution. Only a process of dialogue and negotiation can bring about a settlement that will last.

China

36. **Mr. Bill O'Brien:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the current relations between China and the United Kingdom. [61418]

Mr. Fatchett: As the visit to China of my right hon. Friend the Prime Minister in October demonstrated, a new chapter has opened in our bilateral relations. We are working for a broader relationship, including increased political, commercial, educational and cultural contacts. We will continue to address difficult subjects, such as human rights, through an approach based on dialogue.

EU Enlargement

Mr. Rammell: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the progress of EU enlargement. [61397]

Ms Quin: I refer my hon. Friend to the answer my right hon. Friend the Foreign Secretary gave earlier in the House today to the hon. Member for North Essex, (Mr. Jenkin), *Official Report*, column 660.

St. Helena

Mr. Bob Russell: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to restore full British citizenship to residents of the island of St. Helena. [61399]

Mr. Tony Lloyd: The issue of British citizenship for residents of all UK Overseas Territories who do not already have it is a complex one. It is being considered sympathetically in the context of the current Review of UK Overseas Territories and the result will be published in the White Paper. We expect to publish the Paper early in the current session of Parliament.

European Elections

Mr. Mitchell: To ask the Secretary of State for Foreign and Commonwealth Affairs what the remit is of the working group concerning proposed common principles for European elections; and if he will place in the Library the documentation relating to it. [61719]

Ms Quin: The General Affairs Group is the standing Council working group responsible for institutional affairs. It was given a mandate to consider the European Parliament's proposed common principles for European parliamentary elections by the Committee of Permanent Representatives on 10 September 1998. I have placed a copy of the European Parliament's proposal in the Libraries of the House.

Gibraltar

Mr. Gordon Prentice: To ask the Secretary of State for Foreign and Commonwealth Affairs when he last discussed with his Spanish counterpart the claim by Spain for sovereignty over Gibraltar. [61641]

Ms Quin: The Brussels Process Communiqué of 27 November 1984 provides for the discussion of sovereignty over Gibraltar. The last Brussels Process talks took place in December 1997. The next meeting is due to be held early next year.

Falklands

Mr. Gordon Prentice: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has received from Argentina concerning its claim for sovereignty over the Falklands. [61640]

Mr. Tony Lloyd: The Government of Argentina have repeatedly asserted their view that Argentina has a claim to sovereignty over the Falkland Islands, and have called on us to enter into negotiations. In response, we have made it clear that the United Kingdom has no doubt about its sovereignty over the Falklands and does not regard this as negotiable. It remains our position that there will be no change in the status of the Falklands unless that is the wish of the Islanders themselves.

Arms Embargoes

Mr. Wigley: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps the Government have taken in the last year to strengthen the implementation and enforcement of existing arms embargoes. [61484]

Mr. Tony Lloyd: In his statement to the House on 27 July 1998, *Official Report*, columns 19–22, my right hon. Friend the Foreign Secretary announced the establishment of a Sanctions Enforcement Unit in the Foreign and Commonwealth Office, with responsibility for co-ordinating FCO action with respect to the enforcement of all sanctions, including arms embargoes. The Sanctions Enforcement Unit also issues guidance to FCO departments and overseas missions on the scope of UN sanctions resolutions and the Orders in Council implementing them in UK legislation.

Defence Exports

Mr. Wigley: To ask the Secretary of State for Foreign and Commonwealth Affairs if the next annual report on defence exports will contain a breakdown of licences refused. [61470]

Mr. Tony Lloyd: I refer the right hon. Member to the reply I gave to my hon. Friend the Member for Birmingham, Selly Oak (Dr. Jones) on 14 July 1998, *Official Report*, column *149*.

North Korea

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the talks between the United States and North Korea concerning the latter's nuclear programme. [61860]

Mr. Tony Lloyd: The United States and North Korea meet regularly to discuss a range of issues, including North Korea's nuclear programme. The details of their discussions are a matter for the governments concerned.

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Governments of *(a)* North Korea, *(b)* South Korea and *(c)* the United States concerning North Korea's nuclear programme. [61859]

Mr. Tony Lloyd: We regularly discuss North Korean nuclear issues with the US and South Korea, at both Ministerial and official level, bilaterally and collectively at meetings of the Korean Peninsula Energy Development Organisation. The UK does not have diplomatic relations with North Korea and no Ministerial talks have been held. Nuclear issues were discussed at official level in November 1997. The UK also intends to raise them in EU Troika and bilateral talks with North Korea on 2 and 3 December respectively.

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs what assistance the United Kingdom has offered to monitor the North Korean nuclear programme. [61861]

Mr. Tony Lloyd: The International Atomic Energy Agency (IAEA) is responsible for monitoring North Korea's adherence to its obligations under the Non-Proliferation Treaty. The UK fully supports the work of the IAEA through its contribution to that organisation.

In addition, the UK, through the EU, is strongly committed to the Korean Peninsula Energy Development Organisation (KEDO), as the best means of resolving the issue of nuclear proliferation on the Korean Peninsula. The EU is a member of the KEDO Executive Board, making a substantial contribution of 15 million ecu a year for five years, of which the UK share is some £1.7 million a year.

Zimbabwe

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with the Secretary of State for International Development concerning the continued provision of aid to Zimbabwe. [61862]

Mr. Tony Lloyd: My right hon. Friend the Foreign Secretary has regular meetings with my right hon. Friend the Secretary of State for International Development on a range of issues of mutual interest to our departments.

Pakistan

Mr. Randall: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with the Government of Pakistan concerning the status of Christians in that country. [61409]

Mr. Fatchett: We and our EU partners regularly raise the status of Christians in Pakistan with the Government of Pakistan, most recently at a meeting of the EU Troika and Pakistan on 25 November. I raised our concerns for all religious minorities in Pakistan with the Interior Minister when I visited Pakistan last year, as did my noble Friend the Under Secretary in January of this year. As EU Presidency, we led a demarche on Pakistan's blasphemy laws on 14 May, and participated in a further demarche on 19 October.

Alcoholic Drinks Purchases

Mr. Salmond: To ask the Secretary of State for Foreign and Commonwealth Affairs how much was spent on the purchase of alcoholic drinks by the United Kingdom embassy in France in 1996–97. [61698]

Ms Quin: The Embassy itself does not purchase alcoholic drinks: they are bought by Embassy staff on an individual basis. Annual expenditure by individual members of staff on official entertainment does not distinguish between alcoholic and non-alcoholic drinks and food. It is therefore not possible to say how much was spent on alcoholic drinks in any one year.

Chile

Mr. Syms: To ask the Secretary of State for Foreign and Commonwealth Affairs what advice on security measures he intends to give to British Scouts, Guides and leaders who are to attend the World Scout Jamboree in Chile starting on 20 December. [61880]

Mr. Fatchett: As of 1 December 1998 we advise against all non-essential travel to Chile. Our advice is intended for all British nationals.

British nationals making essential visits to Chile for more than a brief period are advised to register at the British Embassy, Santiago (tel: 231 3737, fax: 2342566) on arrival.

British nationals in Chile should keep a low profile, avoid crowds, meetings, demonstrations and areas where the English-speaking community usually gather.

Travel advice is reviewed daily.

Nigeria

Mr. Mitchell: To ask the Secretary of State for Foreign and Commonwealth Affairs when he expects to restore full diplomatic relations with Nigeria. [61384]

Mr. Tony Lloyd: I refer my hon. Friend to the answer I gave earlier in the House today to my hon. Friend the Member for Vale of Glamorgan (Mr. Smith), *Official Report*, columns 670–71.

HEALTH

Condoms (Homeless People)

Mr. Crausby: To ask the Secretary of State for Health if he will make free provision of condoms to homeless people. [60995]

Ms Jowell: There are no plans to introduce a separate condom distribution service for homeless people. Homeless people can obtain free condoms from open access family planning and genito-urinary medicine clinics.

Hospital Admissions

Mr. Crausby: To ask the Secretary of State for Health (1) what percentage of the population aged between 16 and 65 years use the accident and emergency departments at least once a year; [61012]

(2) what percentage of the population aged between 16 and 65 years was admitted to hospital on at least one occasion in the last 12 months for which figures are available. [61011]

Mr. Hutton: The information is not available centrally in the form requested.

It is not currently possible to provide a count of the number of occasions an individual is admitted to hospital, although development work is under way to enable such counts to be made in the future. In 1997–98, there were 10,368,844 hospital admissions, of whom 5,720,065 were aged between 16 and 65.

Information on the number of new and follow-up attendances at accident and emergency departments is not broken down by age groups. The most recent information is set out in the Departmental publication, "Outpatients and ward attenders, England, Financial Year 1997–98", copies of which are available in the Library.

Royal Commission on Long-term Care of the Elderly

Dr. Lynne Jones: To ask the Secretary of State for Health how many pensioner representatives there are on the Royal Commission on Long-term Care of the Elderly. [61426]

Mr. Hutton: The membership of the Royal Commission on Long-Term Care of the Elderly includes people with knowledge of the public and independent sectors, health and social care, housing, finance and consumer affairs. They were chosen for their skills and experience, rather than to represent particular interests. Age Concern, Help the Aged and the National Pensioners Convention are members of the commission's reference group, which includes charities and other organisations representing people who may find themselves in long-term care; the financial services sector; the NHS; local government and other service provider bodies; and representatives of the major faiths in the United Kingdom. By this means, the commission is drawing on the most up-to-date experience of users and carers.

Women's Boxing

Mr. Gordon Prentice: To ask the Secretary of State for Health what assessment he has made of the risks associated with women's boxing. [61007]

Ms Jowell: Although the Department has not conducted specific research into the hazards associated with women's boxing, the health risks of the sport in general are well documented. These risks are highlighted in "The Boxing Debate" published by the British Medical Association in 1993, and include acute and chronic brain damage, and injuries to the eye.

Food Poisoning

Ms Shipley: To ask the Secretary of State for Health what plans he has to publish statistics on the rates of food poisoning in the constituent parts in the United Kingdom. [61192]

Ms Jowell: Food poisoning notification data for England and Wales are published each week by the Public Health Laboratory Service Communicable Disease Surveillance Centre in "Communicable Disease Report Weekly", copies of which are available in the Library.

Information for Scotland and Northern Ireland is the responsibility of my right hon. Friends the Secretaries of State for Scotland and for Northern Ireland.

Health Statistics

Mr. Crausby: To ask the Secretary of State for Health what percentage of the population aged between 16 and 65 years have *(a)* asthma, *(b)* eczema, *(c)* abscesses, *(d)* hepatitis C, *(e)* hepatitis B and *(f)* HIV. [60992]

Ms Jowell: The available information is summarised in the table.

Condition	*Estimated prevalence in adults in the general population*
Asthma	[1] Asthma is estimated to affect about 4 per cent. of adults sufficiently severely to require medical supervision
Eczema	[2] *The Health Survey for England 1996* reported that 13 per cent. of adults stated that a doctor had at some stage in their life diagnosed them as having eczema
Abscesses	The information requested is not available
Hepatitis C	Studies suggest that the prevalence of chronic carriage may be around 0.5 per cent.
Hepatitis B	Available data indicate that the prevalence of chronic hepatitis B infection is around 0.3 per cent.
HIV	[3] The current best estimate for diagnosed and undiagnosed HIV infections in England and Wales for 16–65 year olds is 0.07 per cent.

[1] This estimate is drawn from *Asthma: An Epidemiological Overview* published by the Department of Health in 1995.
[2] *The Health Survey for England 1996* was carried out on behalf of the Department of Health by the Joint Health Surveys Unit and published earlier this year.
Source:
[3] Public Health Laboratory Service

Traffic Levels (Health Effects)

Mr. Brake: To ask the Secretary of State for Health what research he has *(a)* commissioned and *(b)* evaluated on the relationship between increases in traffic levels and health costs; and if he will make a statement. [61489]

Ms Jowell: The Department of Health funds, jointly with the Department of the Environment, Transport and the Regions and the Medical Research Council, a programme of research into the effects of air pollutants on health. A study looking at the effects on health of relieving traffic congestion by building a bypass has been funded. This study is being done in Queensferry. Results are expected in 1999. The Department has assessed the impact of air pollution on health and has published a report: Quantification of the Effects of Air Pollution on Health in the United Kingdom. Copies are available in the Library. The Department has been examining the costs associated with these effects as a part of the accelerated review of the National Air Quality Strategy. A report will be published early in the new year.

Hospitals (Felixstowe)

Mr. Gummer: To ask the Secretary of State for Health (1) if he will request Suffolk Health Authority to reconsider their proposals to close the Bartlett Hospital, and to review the provision of hospital care in *(a)* Felixstowe and *(b)* the surrounding area; [61973]

(2) when he will announce a decision on the Bartlett Hospital in Felixstowe. [61972]

Mr. Dobson: I shall announce my decision about the future of the Bartlett Hospital in Felixstowe shortly.

Human Fertilisation and Embryology Authority

Mr. Derek Twigg: To ask the Secretary of State for Health if he will announce changes in membership of the Human Fertilisation and Embryology Authority. [62173]

Ms Jowell: I am pleased to announce the following appointments made on behalf of the United Kingdom Health Ministers:

Mrs. Jane Denton—Nursing Director of the Multiple Births Foundation, reappointed as Deputy Chairman until 6 November 2001;

Dr. Anne McLaren—Principal Research Associate, Wellcome Cancer Research Campaign Institute, reappointed as a member until 6 November 2001;

Mr. John Williams—Dean at the Faculty of Economic and Social Studies at the University of Wales, Aberystwyth, reappointed as a member until 6 November 1999;

Ms Sara Nathan—until recently Editor Channel 4 News, appointed as a member until 6 November 2001;

Professor Brenda Almond—Professor of Moral and Social Philosophy at the University of Hull, appointed as a member until 6 November 2001;

Ms Sharmila Nebhrajani—Head of Corporate Planning at the British Broadcasting Corporation, a Chartered Accountant and former Management Consultant, appointed as a member until 6 November 2001;

Professor Henry Leese—Professor of Biology at the University of York, appointed as a member until 6 November 2001;

Dr. Sadia Muhammed—General Medical Practitioner in York and Forensic Medical Examiner to the North Yorkshire Police, appointed as a member until 6 November 2001.

I am very grateful to Ms Elizabeth Forgan, Mr. Richard Jones, Mr. David Greggains and Professor Anthony Thiselton who are retiring from the Authority this year. I also wish to thank Dr. Ruth Chambers who left the Authority on 6 November at her request.

These appointments were made in accordance with the guidance issued by the Commissioner for Public Appointments.

Local Authorities (Co-operation)

Mr. Burstow: To ask the Secretary of State for Health what evaluation his Department has made of the effectiveness of section 22(1) of the National Health Services Act 1977. [61868]

Mr. Hutton: A number of studies looking at the effectiveness of joint working have been commissioned by the Department in recent years. This is in addition to the joint monitoring undertaken by the regional offices of the National Health Service Executive and Social Services Inspectorate.

Intensive Care

Mrs. Dean: To ask the Secretary of State for Health if the Government's review of the number of NHS beds needed satisfactorily to treat patients will also assess whether there are sufficient intensive care beds. [61534]

Mr. Hutton: Action is already in hand to address this issue. We have commissioned the health care needs assessment of intensive care and will be carrying out a census of intensive care beds next spring. This work will run in parallel with and, where appropriate, feed into, the national beds inquiry.

Written Answers to Questions

Wednesday 2 December 1998

EDUCATION AND EMPLOYMENT

Education Expenditure

Mr. Willis: To ask the Secretary of State for Education and Employment what proportion of the £19 billion allocated to education as a result of the Comprehensive Spending Review will be *(a)* direct Government grant and *(b)* a permission for LEAs and other sector providers to borrow or raise funding from other sources; and if he will make a statement. [61806]

Mr. Blunkett: The £19 billion figure relates to the UK. The table gives the resources for my Department's areas of responsibility as published in the Comprehensive Spending Review White paper, split between central government and Education Standard Spending, which is the support for recurrent spending on education by local authorities in England.

£ billion

	1999–00	*2000–01*	*2001–02*
DfEE and OFSTED	15.5	17.3	18.6
Education Standard Spending	20.5	21.7	23.1

Of the central government resources, credit approvals to local authorities for schools capital work will be set at £454m in 1999–00, compared with £376m in 1998–99. These will be supplemented by PFI credits of £350m in 199–00, compared with £130m in 1998–99. Decisions on the deployment of schools capital resources between grant and credit approvals for 2000–01 and 2001–02 will be taken during 1999 in the light of consultation on the schools capital strategy and on decisions by schools on their status within the new schools framework.

Tuition Fees

Mr. Willis: To ask the Secretary of State for Education and Employment what advice he has given to principals and vice-chancellors during the current academic year on the collection of fees from non-UK EU students. [61811]

Mr. Mudie: No specific advice has been given to principals and vice-chancellors on the collection of fees from non-UK EU Students.

Research Funding

Mr. Gorrie: To ask the Secretary of State for Education and Employment if he will change the system of funding research at universities to encourage more co-operation between different institutions. [61544]

Mr. Mudie: The funding of research at universities by the higher education funding bodies is informed by ratings of research quality through the Research Assessment Exercise (RAE). I welcome the recognition by the higher education funding bodies, in their planning for the next RAE to be held in 2001, of the importance of ensuring that the arrangements for making submissions do not deter research collaboration. The funding bodies are currently considering further how to facilitate the submission of collaborative research in the RAE in the light of recent consultation on this and other issues.

Small and Medium Enterprises

Mr. Jenkins: To ask the Secretary of State for Education and Employment (1) what assessment his Department has made of the effectiveness of the *(a)* Investors in People Standard, *(b)* Management Charter Initiative, *(c)* Management Standards and *(d)* Management NVQs for SMEs; and if he will make a statement; [61549]

(2) what research his Department has *(a)* commissioned and *(b)* reviewed into the take up of competence-based management qualifications within SMEs; [61550]

(3) what research his Department has *(a)* commissioned and *(b)* reviewed into the link between management training and performance in SMEs. [61551]

Mr. Mudie: DfEE commissioned a three-year evaluation of the effectiveness of Investors in People which was carried out by the Institute for Employment Studies at the University of Sussex. The following reports were published: "Evaluation of Investors in People in England and Wales" (1994); "Evaluation of Investors in People in England and Wales, 1994–1995" (1995); and "The Return on Investors" (1996). All are available in the House of Commons Library. A review of the Management Charter Initiative was carried out for DfEE by DTZ Pieda Consulting and published as DfEE Research Report 67 in July 1998. It is also available in the Commons Library. Management Standards and NVQs were included in a review of all NVQs and SVQs which took place from 1996 to 1998 and identified improvements needed for SMEs which will be fed back to the relevant lead bodies and awarding bodies.

DfEE has not commissioned any research specifically into the take-up of competence-based management qualifications in SMEs, although gaining of qualifications by owner-managers of SMEs was included in a report for the Department on small firms' training needs, practices and difficulties by Professor James Curran *et al.* This was published in 1996 in DfEE's Research Studies series and is available in the House of Commons Library.

MCI (on behalf of DfEE and DTI) commissioned a review of research by Durham University Business School into the role of management development in the growth of high growth SMEs which was published in 1997. SMEs were also included in two research studies published by DfEE: "The business benefits of competence-based management development" by J and R Winterton (Research Studies 16, 1996) and "Evaluation of the business benefits of management development" by DTZ Pieda Consulting (Research Report 66, 1998). Both reports are in the Library.

TREASURY

Exchequer Income

Dr. Lynne Jones: To ask the Chancellor of the Exchequer what is the estimated current net income to the Exchequer for the operation of *(a)* National Air Traffic Services, *(b)* student loans, *(c)* residual debt in British Energy plc, *(d)* the radio spectrum, *(e)* Belfast Port, *(f)* the Commonwealth Development Corporation, *(g)* the Royal Mint and *(h)* the Tote. [61424]

Mr. Byers: Details of the income and expenditure of the five public corporations listed (National Air Traffic Services; Belfast Port, one of the Northern Ireland Public Trust Port Authorities; Commonwealth Development Corporation; Royal Mint; and the Tote) can be found in the relevant annual report.

Information on loans to students and repayments of them can be found in Chapter 2 of the Department for Education and Employment's departmental report (Cm 3910), and details of the income and expenditure of the Radiocommunications Agency in Chapter 14 of the Department of Trade and Industry's departmental report (Cm 3905).

Details of interest income from the Government's residual debt holdings in British Energy plc are published annually in the Appropriation Accounts (Volume 16: Class XVI, Vote I).

Self-assessment

Mr. Rammell: To ask the Chancellor of the Exchequer what was the total expenditure and what was the breakdown of the expenditure on *(a)* public opinion research, *(b)* television, radio and newspaper advertising and *(c)* direct mail incurred by his Department and agencies on the self-assessment public information campaign; and if he will make a statement. [61686]

Dawn Primarolo: Since the launch of the Self Assessment public information programme in June 1995 about £21 million has been spent informing taxpayers of changes. Within this expenditure, £718,000 has been spent on public opinion research, £13 million on television, radio and newspaper advertising and £750,000 on direct mail. All these figures are exclusive of VAT and are costs to date (30 November 1998).

EU Tax Harmonisation

Mr. Gill: To ask the Chancellor of the Exchequer what powers he has over veto of the harmonisation within the European Union of *(a)* company taxes, *(b)* personal taxes and *(c)* excise duties; and if he will make a statement. [61714]

Dawn Primarolo: Decisions on these matters are subject to unanimity.

Tax Policy Co-ordination

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer what plans he has to seek to co-ordinate savings and corporate taxation across European Union nations; and if he will make a statement. [61071]

Dawn Primarolo *[holding answer 30 November 1998]:* The UK is taking an active part in discussions on the draft Directive on taxation of savings, but we have made it clear that we will not agree to any course of action which would seriously damage the UK and other European financial markets. There are no proposals for the coordination of corporate taxation in the European Union.

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if it is his policy to promote an OECD-wide approach to tax policy co-ordination; and if he will make a statement. [61072]

Dawn Primarolo *[holding answer 30 November 1998]:* The UK takes an active part in the work of the OECD which is consistent with our aims of promoting economic growth through the development of international trade and investment.

EU National Budget Deficits

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if it is his policy that there should be reporting of European Union national budget deficits to distinguish between *(a)* borrowing for net investment purposes and *(b)* borrowing to fund current expenditure; and if he will make a statement. [61068]

Mr. Byers *[holding answer 30 November 1998]:* Council Regulation 3605/93 sets out the budgetary reporting requirements for Member States. In assessing the national budget deficits, Article 104c(3) of the Maastricht Treaty states that the level of government investment expenditure should be taken into account.

European Growth and Stability Pact

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if it is his policy to oppose amendments to the *(a)* interpretation and *(b)* implementation of the European Growth and Stability Pact promoting greater flexibility towards budget deficits which result from high levels of net public sector investment; and if he will make a statement. [61066]

Mr. Byers *[holding answer 30 November 1998]:* The Government are not aware of proposals by Member States to amend the Stability and Growth Pact. The Pact supports sound public finances which are vital for macroeconomic stability and the success of EMU.

Duty Free

Mr. Whittingdale: To ask the Chancellor of the Exchequer what discussions have taken place at Ministerial level over the last six months about the future of duty free and the tax regime following its abolition. [61882]

Dawn Primarolo *[holding answer 1 December 1998]:* I discuss these questions regularly both with colleagues in Government and in Europe.

Dividend Tax Credit

Mr. Webb: To ask the Chancellor of the Exchequer (1) how much it would cost to exempt pensioners from the abolition of the dividend tax credit for the years *(a)* 1999–2000, *(b)* 2000–01 and *(c)* 2001–02; [61839]

(2) if he will list by region in Great Britain the number of pensioners who will lose money, and the amounts involved, as a result of the abolition of the dividend tax credit. [61842]

Dawn Primarolo *[holding answer 1 December 1998]:* It is estimated that the cost of exempting those aged over 65 from the abolition of payable tax credits on dividend income would be about £25 million in each full year. I regret that no estimates are available on a regional basis for either the number of pensioners affected or the amounts of money involved.

Defence Expenditure

Mr. Corbyn: To ask the Chancellor of the Exchequer what percentage of total taxation went towards military expenditure in the last year for which figures are available. [61737]

Mr. Byers: Defence spending in 1997–98, the last year for which figures are available, amounted to 6.64 per cent. of the government's current receipts.

Mr. Corbyn: To ask the Chancellor of the Exchequer if he will seek to introduce a right conscientiously to object to paying taxes for military spending. [61740]

Dawn Primarolo: I have no plans to do so.

Universities and Colleges

Mr. Gorrie: To ask the Chancellor of the Exchequer if he will introduce tax incentives for companies giving money to fund universities and colleges. [61543]

Dawn Primarolo: A number of tax reliefs are already available for companies giving money to universities and colleges.

LORD CHANCELLOR'S DEPARTMENT

Modernising Justice White Paper

Mr. Ben Chapman: To ask the Minister of State, Lord Chancellor's Department if his Department intends to publish a White Paper on modernising justice. [62352]

Mr. Hoon: The Lord Chancellor has today laid before Parliament a White Paper on Modernising Justice. Copies of the White Paper and accompanying Press Notice have been placed in the Libraries of both Houses.

Rights of Audience

Mr. Ben Chapman: To ask the Minister of State, Lord Chancellor's Department what responses the Government have received to their consultation paper, Rights of Audience and Rights to Conduct Litigation in England and Wales: the Way Ahead. [62353]

Mr. Hoon: The Government received 100 responses to the consultation paper. Of these 64 were in favour of the Government's proposals, 12 were opposed, 11 were neutral or did not comment, and 13 were mixed. Copies of the responses have today been placed in the Libraries of both Houses, and the Supreme Court Library, with the exception of 6 responses which were made in confidence. The responses were carefully analysed and taken into account in the development of our proposals on rights of audience which are contained in the Modernising Justice White Paper published today.

The Respondents are listed (those who responded in confidence are not listed):

Those involved in the current statutory procedure:

Lord Justice Potter, Chairman, on behalf of ACLEC
The Director General of Fair Trading
Professor Lee Bridges (member of ACLEC)

The Judiciary

The Lords Justices of Appeal
The Justices of the High Court
The Council of HM Circuit Judges
The Association of District Judges
The Lord Ackner
Lord Justice Buxton
Mr. Justice Holland
Mr. Justice Sedley
Mr. Justice Carnwath
Mr. Justice Lloyd
HH John Gower QC

Members of Parliament

Austin Mitchell MP

The Bar

The General Council of the Bar
The Council of the Inns of Court
The Bar Association for Commerce, Finance and Industry
The Employed and Non-Practising Bar Association
The London Common Law and Commercial Bar Association
The Official Referees Bar Association
The Personal Injuries Bar Association
The South Eastern Circuit
The North Eastern Circuit

Barristers in private practice, or unspecified

David Blunt QC
Martin Edwards
Nicholas Forwood QC
Richard King
Stuart Lovering
Liam Murchin
Chris Purnell
Alec Samuels
Robert Spicer
Robert Wright QC

Employed or non-practising barristers

James Birkin
Edward Bowles (Crown Prosecutor)
Robert Christie
Angela Delbourgo
Richard Hill
Keith Loney
Anne Moore-Williams (Law Commission)
Jeremy White

Solicitors

The Law Society

The Law Society Group for Solicitors with Disabilities

The London Solicitors Litigation Association

The Solicitors' Association of Higher Court Advocates

The Young Solicitors' Group and the Trainee Solicitors Group

The London Criminal Courts Solicitors Association

Solicitors' Firms

Clifford Chance

Geoffrey Parker Bourne

Herbert Smith

Lovell White Durrant

Norton Rose

Slaughter and May

Thompsons

White Dalton

Individual Solicitors

Christopher Bright (Linklaters)

Hardeep Singh Nahal (Herbert Smith)

Gary Summers (Magrath and Co.)

Legal Executives

The Institute of Legal Executives

Individual Legal Executives

Miss C. Abbs

Stuart Blake

Jeremy Chaplin

Private Individuals

Marion Heath

Arthur Oakes

John Randall

Anthony Zachary

Companies employing lawyers

James R. Knowles

KPMG Tax Advisers

Teachers of Law

Committee of Heads of University Law Schools (Professor S. H. Bailey)

Nottingham Law School (Professor Peter Jones and Professor Philip Knott)

The Association of Law Teachers (John Hodgson)

The College of Law (Professor Nigel Savage)

Inns of Court School of Law (Susan Blake)

Alistair Kelman

Alan Taylor

Legal Organisations

The Association of Council Secretaries and Solicitors

The Association of Personal Injury Lawyers

The British Legal Association

The Civil Court Users Association

The Crown Prosecution Service

The Justices' Clerks' Society

The Legal Action Group

The Legal Services Ombudsman

Other Organisations and Bodies

The Chartered Institute of Patent Agents

The Consumers' Association

The Institute of Chartered Accountants

The Institute of Credit Management

The Joint Committee for Ethnic Minorities in Wales

The Metropolitan Police

The National Federation of Consumer Groups

The Quality Assurance Agency for Higher Education

The Royal Institution of Chartered Surveyors

The Trades Union Congress.

CULTURE, MEDIA AND SPORT

Concessionary Television Licences

Mr. Webb: To ask the Secretary of State for Culture, Media and Sport how many pensioners currently receive a concessionary television licence under each criterion for each region in Great Britain. [61152]

Janet Anderson *[holding answer 27 November 1998]:* Regional statistics on the concessionary television licence scheme do not distinguish between pensioners and other beneficiaries, or according to the criteria under which individuals qualify. The number of concessionary licences currently on issue in the United Kingdom, by country, is (to the nearest thousand):

	Number
England and Wales	555,000
Scotland	53,000
Northern Ireland	12,000

Television Licence Evasion

Mr. Burns: To ask the Secretary of State for Culture, Media and Sport if he will make a statement on what plans there are in place to reduce the level of television licence evasion in Chelmsford. [61889]

Janet Anderson *[holding answer 1 December 1998]:* The BBC has statutory responsibility for the administration and enforcement of the television licensing system. TV Licensing, which carries out the day to day administration and enforcement as agent for the Corporation, adopts all appropriate measures to minimise evasion throughout the United Kingdom. Standard enforcement procedures are complemented by targeting pre-determined areas for higher levels of enforcement activity. It is contrary to TV Licensing's policy to publish details of areas due to be targeted; to do so would give comfort to evaders in other parts of the country.

INTERNATIONAL DEVELOPMENT

Mine Clearance

Ann Clwyd: To ask the Secretary of State for International Development if she will list Government expenditure on mine clearance for each year since 1992, broken down by country. [61794]

Clare Short: Government expenditure on mine clearance projects, including integrated mine awareness activities, is set out in the table.

	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99 up to 30.11.98
Afghanistan	—	1,188,900	916,131	1,233,087	1,025,000	1,050,000	2,106,500	499,900
Angola	—	—	—	1,847,527	1,003,570	—	—	—
Cambodia	60,000	206,337	1,461,100	1,693,425	1,305,369	1,058,700	689,686	1,632,287
Egypt	—	—	—	—	—	500,000	87,308	—
Georgia	—	—	—	—	—	—	—	220,781
N. Iraq	—	—	200,439	15,315	444,750	785,000	658,972	740,000
Laos	—	—	—	—	543,386	148,307	101,250	500,000
Mozambique	—	—	574,586	414,832	471,000	408,900	487,500	362,500
Rwanda	—	—	—	30,000	—	—	—	—
Somalia	300,000	373,540	—	—	—	—	—	—
Yemen	—	—	—	100,000	—	47,772	—	—
Former Yugoslavia	—	—	—	—	—	275,000	—	—
Global/Regional	—	—	—	—	[1]65,082	—	[1]200,000	[2]375,000

[1] Foreign and Commonwealth Office funded activities
[2] Value of surplus equipment re-deployed by DFID and MOD to mine clearance projects
Note:
Expenditure by Department for International Development unless otherwise stated

Ann Clwyd: To ask the Secretary of State for International Development if she will list the organisations to which the Government have given money for the purpose of mine clearance in each year since 1992; and in each case the amount received by each organisation. [61793]

Clare Short: The Government have provided grants for humanitarian mine clearance activities to the following organisations:

£

	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99
The HALO Trust	60,000	388,786	1,267,859	1,913,898	1,592,688	1,417,600	1,092,000	1,751,468
UN Office for the Coordination of Humanitarian Assistance for Afghanistan (UNOCHA)	—	1,000,000	500,000	1,000,000	750,000	500,000	2,000,000	—
Rimfire	300,000	373,540	—	—	—	—	—	—
Mines Advisory Group (MAG)	—	—	251,064	1,038,944	2,361,387	1,033,307	951,908	2,204,000
Cambodian Mine Action Centre (CMAC) (via UNDP)	—	—	1,133,333	1,000,000	500,000	—	—	—
UN Humanitarian Assistance Coordination Unit (UCAH) (Angola)	—	—	—	226,029	—	—	—	—
Government of Egypt	—	—	—	—	—	500,000	87,308	—
UN (Rwanda)	—	—	—	30,000	—	—	—	—
UN Voluntary Trust Fund	—	—	—	600,000	—	—	—	—
UN Mine Action Centre (UNMAC) (Sarajevo)	—	—	—	—	—	220,000	—	—
UN Development Programme (UNDP) (Laos)	—	—	—	—	89,000	—	—	—
Government of Yemen (Via UN Development Programme) (UNDP)	—	—	—	—	—	47,772	—	—

Ann Clwyd: To ask the Secretary of State for International Development if she will list the amount spent on *(a)* humanitarian mine clearance, *(b)* commercial mine clearance, *(c)* military initiative mine clearance, *(d)* mine awareness and *(e)* research and development for mine clearance by Her Majesty's Government in each year since 1992. [61792]

Clare Short: Disbursements are set out in the table.

£

Year	(a) Humanitarian mine clearance[1]	(b) Commercial mine clearance[2]	(c) Military initiative mine clearance[3]	(d) Mine awareness	(e) Research and development[4]
1991–92	[5]360,000	—	—	—	—
1992–93	[5]1,762,326	—	—	6,451	—
1993–94	[5]3,152,256	—	—	—	—
1994–95	[5]5,863,652	—	—	—	104,928
1995–96	[5]4,828,473	—	—	15,230	—
1996–97	[5]4,288,860	—	—	70,000	—
1996–97	[6]65,082	—	—	—	—

£

Year	(a) Humanitarian mine clearance[1]	(b) Commercial mine clearance[2]	(c) Military initiative mine clearance[3]	(d) Mine awareness	(e) Research and development[4]
1997–98	[5]4,149,642	—	—	—	376,673
1997–98	[6]200,000	—	—	[6]250,000	—
1998–99	[5]3,990,468	—	205,000	—	548,343
at 30 November 1998	[6]250,000	—	[7]125,000	—	—

Expenditure by Department for International Development (DFID) unless otherwise indicated.
[1] Includes clearance of anti-personnel landmines and other unexploded ordnance.
[2] DFID has not funded commercial mine clearance. There are no records of UK commercial demining activities currently available in Department of Trade and Industry.
[3] Activities funded from Ministry of Defence (MOD) budget. Military initiative Mine Clearance since 1992 has taken place only in Bosnia, where it is a part of the wider military operation since November 1992. Activities have including training and supervision of mine clearance programmes (conducted by the Entity Armed Forces) as well as the provision of Mine Awareness training to over 15,000 school children. The MOD has also continued to monitor and maintain the minefields in the Falkland Islands. Again, this work is one part of the duties of those involved and it would not be possible to cost it.
[4] MOD-funded applied research into military clearance technology has increase significantly over the past three years and is expected to remain high for the next five years at least. The department currently spends approximately £3m per annum on research into counter-mine technologies. The MOD does not have a remit to fund research into purely humanitarian demining, as opposed to operation de-mining (which has differing requirements); however, it is only comparatively late in a programme that the specific utility of a technology is identified. A separate focal point of post-conflict mine clearance research has been established at the Defence Evaluation and Research Agency's (DERA) facilities at Chertsey in Surrey to complement the research being conducted in support of operational mine clearance.
[5] Includes integrated mine awareness activities.
[6] Payment made from Foreign and Commonwealth Office funds.
[7] Value of surplus equipment re-deployed to mine clearance projects.

DFID also commission DERA direct for specific advice and assignments.

Zimbabwe

Mr. Walter: To ask the Secretary of State for International Development what assessment she has made of the impact of recent development in Zimbabwe's land resettlement programme on the provision of aid by her Department. [61891]

Clare Short: The land resettlement programme is one of the factors being considered in the development of a New Country Strategy for Zimbabwe. We are consulting widely in the preparation of the Strategy. I will place a copy of the Country Strategy Paper in the Library of both the Houses when it is published.

Sustainable Development and Environmental Protection

Mrs. Dean: To ask the Secretary of State for International Development what steps her Department has taken to develop its approach to sustainable development and environmental protection. [62355]

Clare Short: We published a policy statement on the environment "Eliminating World Poverty: Why The Environment Matters" on 1 December. This follows up the White Paper on International Development and explains our approach to environmental protection and sustainable development. The statement invites comments on our approach. I will place copies in the Library of the House.

PRIME MINISTER

United Kingdom Delegations (WEU and COE)

Mr. David Taylor: To ask the Prime Minister what changes there are in the composition of the United Kingdom Delegation to the Parliamentary Assembly of the Council of Europe and the Assembly of the Western European Union. [62511]

The Prime Minister: The hon. Member for Sheffield, Hallam (Mr. Allan) has been appointed as a Substitute representative in place of Lord Steel of Aikwood.

Iraq

Mr. Dalyell: To ask the Prime Minister if he will make a statement on his most recent discussions with President Clinton on Iraq, in relation to the precise objectives of potential military action. [61461]

The Prime Minister: No.

David Shayler

Mr. Mackinlay: To ask the Prime Minister who appointed David Shayler to the Security Services; and if he will make a statement on the procedure by which he was recruited. [61940]

The Prime Minister: Mr. Shayler was recruited by the Security Service, using its normal selection and vetting procedures. These were similar to the procedures in use throughout the Civil Service at the time.

ENVIRONMENT, TRANSPORT AND THE REGIONS

ENTRUST

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions how many *(a)* waste minimisation projects and *(b)* projects to help with the remediation of contaminated land have been supported by ENTRUST; and at what value. [60872]

Mr. Meale: According to ENTRUST, the relevant figures to date are:

(a) Waste Minimisation Projects

134 projects have been approved by ENTRUST, with a total value of £14,573,200. Of these, 35 projects have been implemented, with a value of £2,069,740.

(b) Projects to help with the Remediation of Contaminated Land

139 projects have been approved by ENTRUST, with a total value of £21,388,140. Of these, 33 projects have been implemented, with a value of £1,252,400.

Recycling

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions what plans the Government have to encourage the development of secondary markets for recyclables; and if he will make a statement. [61497]

Mr. Meale: The Government believe recycling is critical to the task of making our waste management more environmentally acceptable, and we are committed to a substantial increase in the role it plays in this country. We are currently reviewing our national waste strategy and will publish a draft in Spring 1999, at which point further comments will be invited from all parties. The final version of the new waste strategy will be published as a Command Paper, and adopted by the Government, before the end of 1999.

My Department is considering the measures that could be taken to enhance the markets for recycled materials, including new or extended use of economic instruments, and whether Government and other high profile organisations should take more of a lead in specifying high recycled content and environmental standards for the products they purchase.

As part of this work, we have commissioned a research project to investigate market failures in the demand for secondary materials. In addition, we have set up a Market Development Group to identify the barriers to expanding the markets for recycled materials and to develop practical proposals to help overcome them. Advice from the research project and the report of the Market Development Group will feed into the draft new waste strategy in Spring 1999.

Razor Wire Fencing

Mrs. Gillan: To ask the Secretary of State for the Environment, Transport and the Regions what studies his Department has commissioned into the safety of the use of razor wire as a fencing material and its possible dangers to humans and animals; and if he will make a statement. [61480]

Mr. Meale: The Health and Safety Executive (HSE) has not commissioned any studies into the safety of the use of razor wire.

Countryside Agency

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions if he has engaged recruitment consultants to advise him on suitable candidates for appointment as Chair of the new Countryside Agency; and what criteria will be employed to assess potential candidates. [61648]

Mr. Meacher: My Department employed recruitment consultants primarily to ensure that details of the post were made known as widely as possible. Their work supplemented advertisements in the national press and requests for nominations from a wide range of public and private sector organisations. The consultants also dealt with the issue and receipt of application forms, and made an initial categorisation of applications.

The sift of applicants was carried out in accordance with the Nolan procedures by a panel comprising officials from my Department and an independent member. Advice from the recruitment consultants was also available to them. In carrying out the sift, the panel were looking principally for a knowledge of, and demonstrated commitment to, countryside and rural issues, excellent communication skills, and managerial ability, both to lead and motivate the commissioners and staff of a large organisation and to ensure that the two existing agencies were successfully brought together.

Synthetic Riding Surfaces

Mr. Wyatt: To ask the Secretary of State for the Environment, Transport and the Regions if he will prohibit the use of PVC waste for synthetic riding surfaces and its importation for such purposes. [61485]

Mr. Meale: The import and export of waste are governed by European Council Regulation (EEC) No. 259–93, the 'waste shipments' Regulation. PVC is included on the Regulation's Green list of wastes which do not require prior authorisation when traded for recovery, providing they are not contaminated with hazardous substances. There is no evidence that either clean, uncontaminated PVC waste or recovered PVC products are harmful to human health or the environment. There are therefore currently no plans to prohibit the import of such waste or products recovered from it.

Landfill Tax

Mr. Beggs: To ask the Secretary of State for the Environment, Transport and the Regions if he will assess the advantages of enabling receipts from landfill tax to be invested in the recycling infrastructure in the United Kingdom. [61835]

Mr. Meale: The review of landfill tax by Customs and Excise for the 1998 Budget revealed strong support for the Environmental Bodies Credit Scheme. Following this, the Government are currently considering if the Environmental Bodies Credit Scheme, which is funded from receipts from the landfill tax, might be enhanced, in particular with a view to encouraging recycling. A decision on the extent of any changes to the existing arrangements has yet to be made.

Train Operating Companies

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the incentives available to train operating companies to provide services above the minimum standards set by their franchise. [61896]

Ms Glenda Jackson: The minimum level of service an operator must plan to provide is set out in the Passenger Service Requirement (PSR), which forms a key part of the contract. Train operating companies have commercial

incentives to operate additional services and attract more passengers. The Franchising Director has powers to enforce compliance with the PSR and failure to comply could lead to termination of the franchise.

Air Pollution

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the levels of air pollution around United Kingdom airports which can be ascribed to pollution from *(a)* aircraft and *(b)* motor vehicles. [61893]

Mr. Meale: Detailed estimates of polluting emissions have been prepared for 11 areas of the United Kingdom (London, Manchester, West Midlands, Merseyside, Glasgow, Bristol, West Yorkshire, Southampton, Portsmouth, Swansea and Port Talbot and Middlesbrough). Emissions from a wide range of sources are calculated for each 1km by 1km grid square within the areas for which these inventories have been produced. The sources examined include both aircraft and motor vehicles. The emissions estimates are available in a series of reports prepared by the London Research Centre on behalf of my Department. Copies of the reports will be sent to the hon. Member shortly.

Further information on emissions from aircraft and road transport is available from the National Atmospheric Emissions Inventory, which can be accessed through the Department's web site at http://www.environment.detr.gov.uk/airq/aqinfo.htm. The web site also includes links to the London Research Centre's site which contains some of the relevant information from the local inventories.

Railways

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the companies which currently discharge responsibilities undertaken by British Rail prior to privatisation. [61899]

Ms Glenda Jackson: Ownership of many of the successor companies has changed since they were franchised or sold, and the information requested is no longer collected on a comprehensive basis.

Strategic Rail Authority

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what responsibilities the shadow Strategic Rail Authority will have in respect of *(a)* train path allocation and *(b)* national timetables. [61895]

Ms Glenda Jackson: Railtrack allocates train paths in accordance with access rights which the operators hold and with the operators' bids for paths. Railtrack is also responsible for the national timetable. Railtrack will retain these responsibilities when the shadow Strategic Rail Authority is established next Spring. However, we envisage that the new organisation will assess at a strategic level network capacity, future demand and the balance between passenger and freight operations.

Animals (Illegal Trafficking)

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what action he is taking to help prevent the extinction of *(a)* the Tibetan antelope and *(b)* the gold snub-nosed monkey. [61900]

Mr. Meale: The Tibetan Antelope (*Panthalops hodgsonii*) and the Golden Snub-nosed Monkey (*Pygathrix roxellana*) are listed on Appendix 1 of the Convention on International Trade in Endangered Species (CITES) and Annex A of the EC Wildlife Trade Regulation which implements CITES within the European Union. International trade in these species is effectively banned. However, there is evidence that illegal trafficking in Tibetan Antelopes' wool (shahtoosh) is linked to smuggling in products from another Appendix 1, and critically endangered, species—the tiger. Last year the Metropolitan Police seized 138 shahtoosh shawls from a shop in Mayfair, the biggest seizure in the world so far. In October this year, my right hon. Friend the Prime Minister received further information about this illegal trade during his visit to China. Next year, as Chair of the CITES Standing Committee, the UK will lead a mission to tiger range states and consumer countries to assist all concerned in their efforts to crack down on illegal trade by strengthening enforcement, raising public awareness of the threats to these species and gathering further information useful in tackling international wildlife crime.

Rail Freight

Sir John Stanley: To ask the Secretary of State for the Environment, Transport and the Regions if he still expects to receive a grant application shortly from Railtrack in respect of the piggyback rail freight scheme. [61634]

Ms Glenda Jackson: The Minister of Transport had a useful introductory meeting with the Chief Executive of Railtrack on 15 November. A range of issues were discussed, including the piggyback scheme and other rail freight proposals, all of which, in Railtrack's view, would require significant amounts of Government grant. However, no formal proposals or grant application have been received from Railtrack, and the timing of any application was not discussed.

Waste Exports and Imports

Mr. Burgon: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to amend the United Kingdom Management Plan for Exports and Imports of Waste. [62524]

Mr. Meacher: The UK policies on exports and imports of waste are set out in the "United Kingdom Management Plan for Exports and Imports of waste", which was published on 16 May 1996. The Plan came into effect on 1 June 1996.

Under the Plan, imports of waste from European Community Member States, with the exception of Ireland and Portugal, for disposal by high temperature incineration are being progressively phased out under an annual quota. This arrangement is intended to allow Member States time to develop their own high temperature incineration facilities, and is consistent with the long-standing United Kingdom policy that developed countries should be self-sufficient in disposing of their own waste. The quota is due to expire on 31 May 1999.

The Government have received a request from the high temperature incineration industry to extend the quota by at least a year. After careful consideration of the industry's representations, the Government have decided not to extend the quota. Any such extension of the quota would undermine the UK policy on self-sufficiency in waste disposal by developed countries.

However, it has become apparent that the Plan requires clarification on one minor, but important, point. There is, at present, an apparent inconsistency over whether waste imported under the quota needs to be disposed of, or simply imported into the UK, by 31 May 1999. The Government intend to clarify the situation by confirming that the waste must arrive at the appropriate disposal facility by 31 May 1999. This carries no cost implications.

My Department has therefore today published, for consultation, details of the proposed change. Copies of the consultation paper have been placed in the Library of both Houses.

Orton Pit

Mr. Burgon: To ask the Secretary of State for the Environment, Transport and the Regions when the Government will submit Orton Pit to the European Commission as a candidate special area of conservation. [62525]

Mr. Meacher: The Government have decided that Orton Pit should be submitted to the European Commission as a candidate SAC on account of its important population of Great Crested Newts. This will happen in the next few days.

Composting Development Group

Mr. Burgon: To ask the Secretary of State for the Environment, Transport and the Regions what response he received to the consultation on the Composting Development Group report; and if he will make a statement. [62526]

Mr. Meacher: The Composting Development Group Report was published in July as a consultation paper. The response was overwhelmingly positive with widespread support for its recommendation.

The Government welcome the Report as a significant step forward in the development and promotion of composting. We consider that its conclusions are sound and we endorse the thrust of its recommendations, which successfully address the major barriers to marketing compost and identify practical ways forward to help overcome them. We broadly accept those recommendations directed specifically at Government Departments, though we need to consider carefully how best to implement them. I commend the other recommendations to the relevant organisations and bodies which the Report identifies and urge them to make every effort to implement them.

The Department received 75 responses. A list of responses received has been placed in the Library of the House; copies of individual responses may be obtained through the DETR Library.

DEFENCE

Defence Council Instructions

Mr. Matthew Taylor: To ask the Secretary of State for Defence if he will place in the Library a list of unclassified Defence Council Instructions which have been issued since 1 February. [62044]

Mr. Spellar: I am today placing a copy of this list in the Library of the House.

Nuclear Weapons

Mr. Corbyn: To ask the Secretary of State for Defence if he intends to oppose German proposals put to the December meeting of the North Atlantic Council that NATO should adopt a policy of no first use of nuclear weapons; and if he will make a statement. [61736]

Mr. George Robertson: No member country has proposed to NATO that it adopt a policy of No First Use of nuclear weapons. In conducting the Strategic Defence Review we concluded that such a policy would be incompatible with our and NATO's doctrine of deterrence, and that it would not further nuclear disarmament. We see no need to change NATO nuclear policy as expressed in the Alliance Strategic Concept.

Mr. Corbyn: To ask the Secretary of State for Defence what the figures were for military spending broken down into *(a)* nuclear and *(b)* non-nuclear spending in the most recent available year. [61739]

Mr. George Robertson: It is not possible to divide military spending neatly into nuclear and non-nuclear because many force elements have a variety of roles which may include support to nuclear and non-nuclear tasks, as I set out in my reply to my hon. Friend the Member for Crawley (Laura Moffat) on 2 November 1998, *Official Report*, columns *349–50*.

Figures have been published in the annual UK Defence Statistics document and in the Strategic Defence Review White Paper, which also contains further detail. Copies are available in the Library of the House.

Chemical Warfare

Mr. Corbyn: To ask the Secretary of State for Defence how much of the defence budget is dedicated to research in chemical warfare in the current financial year. [61738]

Mr. Spellar: The Ministry of Defence funds research into defence against both chemical and biological warfare agents at the Chemical and Biological Defence Sector of the Defence Evaluation and Research Agency at Porton Down. The information sought is not readily available in the format requested, but in the current financial year, the total expenditure on chemical and biological defence research is estimated at £33.6m. This research is focused solely towards providing UK armed forces with safe and effective protection against the effects of chemical and biological warfare agents.

Defence Diversification Agency

Mr. Corbyn: To ask the Secretary of State for Defence how much of the Defence Diversification budget was spent on non-military research in the most recent year for which figures are available. [61742]

Mr. Spellar: There has in the past been no Defence Diversification budget as such. Funding for my Department's research programme is provided for military purposes, although the resultant technologies can often have civil benefits. The modest costs arising from the creation of the Defence Diversification Agency at the end of this month will therefore be a departure from past practice, which we hope will enable the more widespread exploitation of our technology in the civil sector.

Mr. Corbyn: To ask the Secretary of State for Defence what is the estimated cost of the Defence Diversification Agency in the current financial year. [61741]

Mr. Spellar: As we announced on 16 November 1998, *Official Report*, column *326*, the estimated operating budget of the Defence Diversification Agency is expected to be some £2 million a year. Accordingly, a sum of £400,000 has been set aside to cover the costs of the Agency from its creation at the end of this month to the end of the current financial year.

RN Warships (Chile)

Mr. Corbyn: To ask the Secretary of State for Defence what commission has been paid to agents for the sale of Royal Navy warships to Chile in the last 10 years. [62054]

Mr. George Robertson: In line with long-standing Departmental policy, no commissions of any kind were or are paid to agents for Government to Government sales for ex-Royal Navy ships to Chile or any other country.

Equipment Sales

Mr. Corbyn: To ask the Secretary of State for Defence what examination is made of the credentials of agents of *(a)* foreign Governments and *(b)* arms-purchasing companies who deal with the Armed Services over the sale of equipment. [62058]

Mr. Spellar: While they are sometimes called upon to provide foreign buyers with advice on, or demonstrations of, the capabilities of military equipment, the Armed Services do not deal with agents of *(a)* foreign governments and *(b)* arms purchasing companies on the sale of such equipment. This applies equally to the sale of surplus defence equipment by the Disposal Sales Agency.

Commemorative Information (Websites)

Mrs. Gillan: To ask the Secretary of State for Defence for what reasons the Commonwealth War Graves Commission website search facilities have failed to allow access to inquirers. [62066]

Mr. Spellar: The Commission launched the Debt of Honour Register on the Internet on 9 November to give access to the commemorative information on 1.7 million of the Commonwealth's war dead beyond that provided to 50,000 inquirers annually by letter and telephone.

The Internet site was developed by Central Computer and Telecommunications Agency (CCTA) and during the first two weeks of operation a technical defect limited access to the site. The defect manifested itself only after the service was experiencing full-load conditions. However, during this period approximately 230,000 of the several million, who have visited the site, have interrogated the database.

As of 1 December the service has been stabilised and its reliability improved. Further diagnosis and rectification work is being urgently undertaken by CCTA.

Mrs. Gillan: To ask the Secretary of State for Defence if he will make a statement on the contract with CCTA for the construction of a memorial search facilities website, indicating penalty clauses applicable. [62067]

Mr. Spellar: A contract to develop and maintain an Internet site for the Commonwealth War Graves Commission was let to the Central Computer and Telecommunications Agency (CCTA) on 29 July 1998. Penalty clauses were not applicable in the agreement for the development work undertaken.

The Commonwealth War Graves Commission launched the Debt of Honour Register on the Internet on 9 November to give access to the commemorative information on 1.7 million of the Commonwealth's war dead beyond that provided to 50,000 inquirers annually by letter and telephone.

VC10 Fleet

Mr. Maples: To ask the Secretary of State for Defence what is *(a)* the reason for replacement and *(b)* the cost of the new body panels purchased for the CIK RAF VC10 fleet. [62094]

Mr. Spellar: The original body trim panels, used to convert the interior of the RAF VC10 CMk1 for its passenger carrying role, were over 20 years old, did not conform to current fire, smoke and toxicity regulations and were becoming increasingly difficult to maintain. The precise cost of the interior trim panels is "commercial in confidence" and I am, therefore, withholding it under exemption 7 of the Code of Practice on Access to Government Information.

Mr. Maples: To ask the Secretary of State for Defence if he will list the contracts with AIM Aviation (Jecco) Ltd. which included *(a)* furnishings and *(b)* other equipment. [62092]

Mr. Spellar: The Ministry of Defence contract database lists 34 active contracts with AIM Aviation (Jecco) Ltd. This does not include local purchase orders, raised by units for items valued at under £5,000, for which no central record is held. Detailed information about the equipment or furnishings ordered under the contracts is not held centrally and could be provided only at disproportionate cost.

Mr. Maples: To ask the Secretary of State for Defence what the value was of the contract placed with AIM Aviation (Jecco) Ltd which included bed-settees for the RAF VC10 fleet; how many bed-settees at what cost were included in the order; on what date the order for the bed-settees was placed with AIM Aviation (Jecco) Ltd; and if he will place a copy of the contract in the Library. [62091]

Mr. Spellar: The decision to replace the existing bed settees was made by the RAF under the previous administration in February 1997. A contract for six divan bed-settee units was awarded to AIM Aviation (Jecco) Ltd. on 20 August 1997 following a competition. No other items were included in the contract. The cost of equipment

procured from industry under contracts awarded by the Ministry of Defence is "commercial in confidence" and consequently, I am withholding the information under exemption 7 of the Code of Practice on Access to Government Information. I will not be placing a copy of the contract in the Library of the House.

Mr. Maples: To ask the Secretary of State for Defence if he will list the orders for VIP equipment for the RAF VC10 fleet which have been cancelled since 1 May 1997, indicating the contents of the orders. [62093]

Mr. Spellar: There is no record of any order for VIP equipment for the RAF VC10 fleet being cancelled since 1 May 1997.

HOME DEPARTMENT

Millennium Compliance

Mr. Cotter: To ask the Secretary of State for the Home Department what meetings he has had with police concerning levels of policing for New Year's Eve 1999 and the following week; and what assessment he has made of the potential impact of the Millennium Bug on policing needs for that period. [61176]

Mr. Boateng: Police staffing levels are an operational matter, to be determined by individual chief officers. Equally, it is for each force to assess the likely impact of the Millennium Bug, both on policing needs during the celebrations and on their own police Information Technology systems.

Central guidance is being issued by the Association of Chief Police Officers' (ACPO) Millennium Co-ordinating Committee (MCC), chaired by John Evans (Chief Constable of Devon and Cornwall) who will be ACPO president during the Millennium. He has met with the Prime Minister's adviser to discuss the issues. I understand that ACPO are advocating a multi-agency approach to dealing with public order and public safety issues over the Millennium. Forces will be establishing contingency plans and liaising with local agencies and organisations accordingly.

Prison Mother and Baby Units

Dr. Vis: To ask the Secretary of State for the Home Department how many women were removed from each of the four prison mother and baby units in (i) 1998, (ii) 1997 and (iii) 1996; and for what reasons. [61019]

Mr. George Howarth: The information is given in the table.

Women prisoners removed from mother and baby units

Removed	*1998*	*1997*	*1996*
Holloway	1 (violent and disruptive behaviour)	2 (bullying)	1 (psychotic incident)
New Hall	0	1 (unable to care for baby)	[1]Not known
Styal	0	2 (violent behaviour)	2 (drug offences)
Askham Grange	0	0	1 (charged with a section 1 offence under the Children and Young Persons Act 1993)

[1] records not available

Extradition

Mr. McWalter: To ask the Secretary of State for the Home Department what facilities there are for arranging the transfer of a person arrested abroad in an EC country to face charges in a United Kingdom court; what legal aid facilities are available to such persons; and if he will make a statement. [61664]

Kate Hoey: There are two ways in which a person may be brought back to face criminal charges. The United Kingdom's extradition arrangements with most European countries are governed by the European Convention on Extradition. Where a person living in a Convention country stands accused in the United Kingdom of an extraditable offence, there is provision for an extradition request to be made. If the request is granted, the person concerned will be surrendered to stand trial in this country.

Provision also exists for the voluntary repatriation to this country of convicted prisoners serving sentences in European Community countries. Such transfers take place in accordance with the provisions of the Council of Europe Convention on the Transfer of Sentenced Persons, and the Repatriation of Prisoners Act 1984. Any outstanding charges could be brought against a prisoner who had consented to be repatriated to this country, once they returned here.

Legal aid is a matter for my right hon. and learned Friend the Lord Chancellor. I am advised, however, that it would be open to a person so facing charges to apply in the usual way for criminal legal aid, once he had been returned to the United Kingdom, and that any such application would be considered under Part V of the Legal Aid Act 1988.

Traffic Police

Dr. Cable: To ask the Secretary of State for the Home Department how many traffic police officers were deployed *(a)* five years ago and *(b)* at the latest available date in (i) each of the Metropolitan Police divisions, (ii) Surrey, (iii) Thames Valley and (iv) the United Kingdom. [61723]

Kate Hoey: The information for England and Wales is set out in the table. The numbers of traffic police officers in Scotland and Northern Ireland are matters for my right hon. Friends the Secretaries of State for Scotland and Northern Ireland respectively. Within the Metropolitan Police, traffic officers are deployed at an area level, rather than at divisional level.

Traffic policing does not necessarily occur independently of other police work, and the number of officers deployed to the traffic division is not indicative

of the money spent on traffic policing. A large part of traffic officers' time is spent dealing with ordinary crime. It is an advantage that traffic officers deal with matters unrelated to traffic and that beat officers will also deal with traffic offences, thus contributing to more efficient ways of policing.

Total police assigned to the traffic function

Forces	*Year 1993–94*	*Year 1994–95*	*Year 1995–96*	*Year 1996–97*	*Year 1997–98*
Metropolitan Police—1 Area	153	123	130	120	119
Metropolitan Police—2 Area	117	165	153	195	139
Metropolitan Police—3 Area	89	272	211	225	225
Metropolitan Police—4 Area	79	131	131	124	122
Metropolitan Police—5 Area	162	261	292	252	218
Metropolitan Police—6 Area	140	—	—	—	—
Metropolitan Police—7 Area	119	—	—	—	—
Metropolitan Police—8 Area	95	—	—	—	—
Metropolitan Police HQ	55	51	0	6	0
Total Metropolitan Police	1,009	1,003	917	922	823
Surrey	209	192	198	199	176
Thames Valley	345	335	288	268	273
England and Wales Total	8,657	8,421	8,078	8,142	7,951

Note:
The Metropolitan Police moved from having 8 Areas in 1993–94 to 5 Areas from 1994–1995 onwards

Traffic Offences

Dr. Cable: To ask the Secretary of State for the Home Department how many prosecutions have been made by the Metropolitan Police in respect of *(a)* speeding, *(b)* dangerous driving, *(c)* drunken driving and *(d)* defective vehicles in each of the last five years. [61615]

Kate Hoey: The information is set out in the table:

Prosecutions	*1992*	*1993*	*1994*	*1995*	*1996*
Speed limit offences	14,376	13,226	12,629	12,997	14,348
Dangerous Driving	964	1,406	1,310	1,254	987
Driving etc after consuming alcohol or taking drugs	17,319	18,312	18,800	18,699	18,043
Vehicle or part in dangerous or defective condition	14,374	18,636	22,138	23,092	19,791

Figures for 1997 are not yet available.

Dr. Cable: To ask the Secretary of State for the Home Department how many deaths occurred in each of the Metropolitan Police divisions in each of the last five years arising from *(a)* murder and *(b)* road traffic accidents. [61724]

Kate Hoey: The Commissioner has provided the following information:

Murder

Area	*[1]1993*	*1994*	*1995*	*1996*	*1997*
1 Area—Central	—	22	13	20	20
2 Area—North West	—	55	44	32	45
3 Area—North East	—	31	34	27	45
4 Area—South East	—	27	38	19	27
5 Area—South West	—	26	30	35	18
Total	147	161	159	133	155

[1] Breakdown by area not available for 1993

Road traffic accidents

Area	*1993*	*1994*	*1995*	*1996*	*1997*
1 Area—Central	26	28	25	21	30
2 Area—North West	64	72	48	76	67
3 Area—North East	73	68	55	61	65
4 Area—South East	75	58	50	52	45
5 Area—South West	63	65	56	54	69
Total	301	291	234	264	276

Firearms Compensation

Mr. Lansley: To ask the Secretary of State for the Home Department what is his latest estimate for the total compensation paid under Category C of the Firearms Compensation Scheme. [61684]

Mr. Boateng: Around £11,850,000 has so far been paid to claimants under Option C of the compensation scheme for large-calibre handguns and the ex-gratia payment scheme for small-calibre pistols. No payments have yet been made under Option C of the separate statutory compensation scheme for small-calibre pistols. The final total of Option C payments will not be known until all claims have been examined, but we expect this to be contained within the overall compensation figure of around £120 million previously announced.

Mr. Green: To ask the Secretary of State for the Home Department when his Department intends to reply to the letters from the hon. Member for Ashford of 16 July, 3 September, 14 October and 22 October on Category C firearms compensation. [61629]

Mr. Boateng: A reply was sent on 27 November. Because the emphasis is on processing compensation claims, I am afraid it is not always possible to respond promptly to inquiries about the progress of individual claims. We have, however, kept the House informed of progress on the compensation schemes generally, most

recently in my reply to the hon. Member for Tewkesbury (Mr. Robertson) on 28 October 1998, *Official Report*, columns *179–80*.

Speed Cameras

Dr. Cable: To ask the Secretary of State for the Home Department how many speed cameras have been installed in *(a)* the Metropolitan Police area, *(b)* Surrey and *(c)* Thames Valley in each of the last five years; and how many prosecutions have resulted from evidence from them in each area. [61617]

Kate Hoey: In November 1998, there were 258 sites for speed cameras in the Metropolitan Police area, 15 in Surrey and 250 in Thames Valley. Comparable information for 1993–1997 is not available. Cameras are rotated around a number of sites to maximise their use as a deterrent.

The table gives the figures for prosecutions for speeding where the offences were detected by automatic cameras:

Police authority	*1992*	*1993*	*1994*	*1995*	*1996*
Metropolitan Police	283	3,225	1,658	6,075	9,426
Surrey	—	—	—	18	—
Thames Valley	—	1,196	4,102	2,908	2,716

The majority of speeding offences detected by cameras are dealt with by fixed penalty. The table gives the number of fixed penalty notices given, and paid, for speeding where the offences were detected by automatic cameras:

Police authority	*1992*	*1993*	*1994*	*1995*	*1996*
Metropolitan Police	—	3,804	5,126	15,910	22,564
Surrey	—	—	—	1,011	8,883
Thames Valley	—	11,547	36,987	36,923	36,608

Motoring Accidents

Dr. Cable: To ask the Secretary of State for the Home Department how many motoring accidents resulting in *(a)* death, *(b)* serious injury, *(c)* less serious injury and *(d)* vehicle damage but not injury were recorded in each Metropolitan Police district in each of the last five years. [61616]

Kate Hoey: The Commissioner has provided the following information:

Area	*1993*	*1994*	*1995*	*1996*	*1997*
Fatal accidents					
1-Central	26	28	25	21	30
2-North West	64	72	48	76	67
3-North East	73	68	55	61	65
4-South East	75	58	50	52	45
5-South West	63	65	56	54	69
Total	301	291	234	264	276
Serious injury accidents					
1-Central	705	745	548	626	642
2-North West	1,172	1,137	1,398	1,545	1,545
3-North East	1,389	1,215	1,313	1,513	1,523
4-South East	1,166	1,209	1,245	1,211	1,344
5-South West	1,484	1,374	1,551	1,287	1,433
Total	5,916	5,680	6,155	6,182	6,487
Less serious injury					
1-Central	3,735	3,701	3,677	3,922	3,840
2-North West	8,253	8,542	8,421	7,878	7,854
3-North East	7,625	7,573	7,503	7,796	7,626
4-South East	7,505	7,556	7,137	7,097	7,247
5-South West	7,460	7,496	7,166	7,312	7,260
Total	34,578	34,868	33,904	34,005	33,827

Note:
Figures for accidents involving damage but no injury are not collected

Police Act 1997

Mr. Sanders: To ask the Secretary of State for the Home Department what is the timetable for implementation of Part V of the Police Act 1997; and if he will make a statement. [61614]

Mr. Boateng: As we have made clear in the past, we have decided to implement Part V of the Police Act 1997 and to establish the necessary arrangements to issue the three forms of certificate provided for under the Act. The timetable for implementation will be influenced by the very large number of certificates likely to be required. We are therefore giving careful consideration to the phasing in of certificates with priority given to the protection of children.

Police (Unclassified Papers)

Mr. Matthew Taylor: To ask the Secretary of State for the Home Department if he will place in the Library a list of unclassified papers produced in *(a)* the special interest series by the Police and Reducing Crime Unit, and *(b)* the technical series of papers from the Police Scientific and Development Branch since January 1997, indicating *(a)* the title of each paper and *(b)* the date on which it was produced. [62045]

Mr. Boateng: There have been two unclassified special interest series papers published by the Policing and Reducing Crime Unit, and eighteen unclassified papers produced in the technical series of reports by the Police Scientific Development Branch since January 1997. A list of these will now be placed in the Library.

Police Grant

Ms Blears: To ask the Secretary of State for the Home Department when he intends to announce the allocations of police grant for individual police authorities in England and Wales for 1999–2000. [62483]

Mr. Straw: I have today put a copy of my proposals for the allocation of police grant for 1999–2000 in the Library. I intend to implement these proposals, subject to consideration of any representations I receive about them.

I announced in July, following the Government's Comprehensive Spending Review, that spending overall on the police service in England and Wales would be increased by £1.24 billion in the years 1999–2002. The increases will be 2.67 per cent. in 1999–2000, up to a further 2.8 per cent. in 2000–01, and up to an extra 4 per cent. in 2001–02. These sums represent a real terms' increase, albeit small, in police spending, as explained in my reply to the right hon. Member for Berwick-upon-Tweed (Mr. Beith) on 31 July 1998, *Official Report*, columns *829–30*.

The police service has indicated its support in principle for the continued distribution of police grant in accordance with a needs-based formula. I am therefore proposing to continue to allocate the greater part of police grant according to the police funding formula.

I am, however, proposing several changes to the formula to reflect the latest data now available, and in response to the representations I have received. The principal changes I propose are: *(a)* to reduce from 20 per cent. to 10 per cent. the share of funding allocated on the basis of forces' past establishments; and *(b)* to increase from 13.2 per cent. to 14.5 per cent. the proportion of funding allocated on the basis of forces' pensions commitments.

I am proposing that the Metropolitan Police should continue to receive additional funding in recognition of its distinct national and capital city functions. It has proved very difficult for the principal formula appropriately to take account of these special circumstances. I have proposed, therefore, that a special payment of grant will be made to the Metropolitan Police over and above that available through the principal formula. I have set the amount of this special payment at £176 million.

In addition, I am proposing to make special payments of grant to the following police authorities in 1999–2000 in recognition of the additional costs which will be incurred in preparation for the proposed changes to the Metropolitan Police District boundaries:

Essex—£2 million

Hertfordshire—£3 million

Surrey—£7 million.

Other police funding proposals within the local government finance system are being announced today by my right hon. Friends the Deputy Prime Minister and Secretary of State for Wales. These proposals, and mine, would increase Total Standard Spending on the police in England and Wales by 2.67 per cent. or around £186 million over 1998–99.

The settlement also takes account of my commitment to improve police efficiency. I have set a target of 2 per cent. efficiency gains year on year for the police service from 1999–2000. By achieving these targets, police authorities can re-invest the savings to help meet front-line priorities.

Her Majesty's Inspectorate of Constabulary and the Audit Commission have published extensive advice to chief officers and to police authorities on many ways in which the efficiency and effectiveness of the police service can be improved within available resources. A detailed circular on this from my Department has recently been issued which, among other subjects, gives guidance on savings to be secured in the areas of training, estate management, procurement, sickness and early retirements on medical grounds.

Over the next three years, the Government will also be spending £250 million on their targeted crime reduction programme, £217 million on tackling drugs and £85 million on the Youth Justice Board's development fund.

The Government have already announced their decision to abolish crude and universal capping of local authorities from April 1999. In previous years, the Government have announced capping limits on police authority spending at the time of provisional funding settlement. No such limits are being set for next year. Nevertheless, I expect police authorities in England and Wales to set budgets which are prudent and reasonable, and which do not impose an excessive increase in council tax next year. We shall be monitoring the position carefully.

The effect of my proposals for each police authority for 1999–2000 is set out in the table. It also shows the allocation approved by Parliament for 1998–99.

£ million

Police Authority	*1998–99 Allocation*[1]	*1999–2000 Allocation*[1]
English Shire forces		
Avon & Somerset	164.3	168.4
Bedfordshire	60.9	61.4
Cambridgeshire	71.9	74.8
Cheshire	104.7	109.0
Cleveland	80.4	81.5
Cumbria	59.0	60.0
Derbyshire	97.7	101.7
Devon & Cornwall	167.4	174.4
Dorset	67.8	70.1
Durham	78.1	81.3
Essex	158.4	163.0
Gloucestershire	61.5	62.4
Hampshire	189.1	194.6
Hertfordshire	94.1	100.1
Humberside	110.6	113.0
Kent	178.9	183.2
Lancashire	174.9	178.3
Leicestershire	99.1	102.3
Lincolnshire	60.7	63.4
Norfolk	80.9	83.5
North Yorkshire	75.6	77.6
Northamptonshire	62.8	65.2
Nottinghamshire	123.0	126.4
Staffordshire	111.1	113.0
Suffolk	66.0	68.7
Surrey	84.2	92.0
Sussex	162.6	166.4
Thames Valley	219.3	224.6
Warwickshire	51.1	52.0
West Mercia	110.0	113.1
Wiltshire	63.4	64.9
English Metropolitan forces		
Greater Manchester	364.8	375.7
Merseyside	233.3	236.3
Northumbria	205.4	213.0
South Yorkshire	165.4	171.3
West Midlands	371.9	380.6
West Yorkshire	279.5	286.3
London forces		
Metropolitan police[2]	1,715.3	1,744.1
City of London[3]	57.1	55.4
English total	6,682.6	6,852.7

£ million

Police Authority	1998–99 Allocation[1]	1999–2000 Allocation[1]
Welsh forces		
Dyfed-Powys	51.1	51.5
Gwent	67.3	69.3
North Wales	73.2	75.1
South Wales	161.3	163.1
Welsh total	353.0	359.0
Total	7,035.5	7,211.7

[1] Rounded to the nearest £100,000. The Allocation is the sum of: Police Grant, Transitional Grant, Police SSA, Capital Finance SSA, Reduction Grant and Central Support Reduction Grant.
[2] Figure for the Metropolitan Police does not include funding allocated to the Receiver under the Environmental, Protective and Cultural Services SSA for school crossing patrols, Magistrates' Courts and the Probation Service. It does include its Special Payment.
[3] Figure for the City includes Police SSA, Grant and SSA Reduction Grant, but excludes other SSAs (eg Capital Financing) and Central Support Reduction Grant. These are allocated to the Common Council of the City of London as a whole in respect of all its functions.

Confiscation and Money Laundering Legislation

Mr. Jenkins: To ask the Secretary of State for the Home Department what assessment he has made of the performance of courts enforcing confiscation and money laundering laws. [61553]

Mr. Boateng: The third report of the Home Office Working Group on Confiscation, published on 10 November, identifies significant weaknesses in the enforcement of confiscation orders, including a number relating to the roles of the courts. The Working Group makes recommendations for improving performance in this area, and for remedying perceived gaps in the money laundering legislation. The Government have announced a consultation period until the end of February, and will take account of the responses received before making decisions on the report's proposals.

Mr. Jenkins: To ask the Secretary of State for the Home Department if he will make a statement on the involvement of the police in enforcing current confiscation and money laundering laws; and if he will estimate the cost to each police force in 1997–98 of this activity. [61555]

Mr. Boateng: The police have a specific role under the confiscation legislation in conducting asset tracing investigations, and under the money laundering legislation in receiving reports of suspicious transactions from financial institutions and other sources. Suspicious transaction reports are normally made to the Economic Crime Unit at the National Criminal Intelligence Service, while every police force in England and Wales has a Financial Investigation Unit, responsible for identifying assets for confiscation and investigating suspected money laundering. Information on the cost of this activity to individual forces is not available and could be obtained only at disproportionate cost. However, the costs borne by the police and other relevant authorities in implementing confiscation powers will be one of the factors to be included in the study which the Government plan to initiate of the possibility of establishing a confiscation agency.

Criminal Confiscation Orders

Mr. Jenkins: To ask the Secretary of State for the Home Department if he will estimate the value of assets seized from criminals by courts in each year since 1992. [61554]

Mr. Boateng: Information about criminal confiscation orders is set out in the tables.

Table 1: Drug trafficking confiscation orders (England and Wales) 1992–1996

£

Year	Amount ordered to be confiscated	Downward variation on appeal	Default sentences (DTOA 1986)[1]	Amount available for confiscation	Amount remitted to consolidated fund
1992	9,129,863	[2]500,000	1,271,000	[3]7,358,863	5,180,900
1993	9,678,118	594,000	579,000	8,505,118	5,380,000
1994	[4]25,373,426	489,000	2,537,000	[4]22,347,426	5,135,000
1995	18,337,490	1,201,000	848,000	16,288,490	5,343,000
1996	10,471,336	1,643,000	1,342,000	7,486,336	7,415,000
Total	72,990,233	4,427,000	6,577,000	61,986,233	28,453,900

[1] Default sentences served under the Drug Trafficking Offences Act 1986 served to expunge the debt owned by the defendant
[2] Estimate—no figures available for 1992
[3] Estimate based on [2]
[4] Includes one confiscation order made by Chelmsford Crown Court for £15,314,000

Table 2: Proceeds of criminal conduct—confiscation orders made under the Criminal Justice Act 1988 and the 1988 Act as amended by the Proceeds of Crime Act 1995 (England and Wales) 1992–1996

£

Year	Amount ordered to be confiscated	Downward variation on appeal	Default sentences (unamended CJA)[1]	Amount available for confiscation	Amount remitted to consolidated fund
1992	1,354,000	[2]—	1,000	1,353,000	481,600
1993	412,000	44,000	156,000	212,000	266,000
1994	3,042,000	17,000	471,000	2,554,000	1,318,559
1995	3,653,000	355,000	513,000	2,785,000	1,024,000
1996	6,070,000	217,000	82,000	5,771,000	1,343,000
Total	14,531,000	633,000	1,223,000	12,675,000	4,433,159

[1] Default sentences served under the unamended CJA 1988 served to expunge the debt owed by the defendant
[2] No figures available

Working Group on Confiscation

Mr. Jenkins: To ask the Secretary of State for the Home Department what responses he has received to the third report of the Home Office Working Group on Confiscation. [61552]

Mr. Boateng: None, but we would not expect to receive responses so soon after the report's publication. The consultation period will continue until the end of February. There have been a small number of letters from the public prompted by press coverage of the report.

Asylum Seekers

Mr. Green: To ask the Secretary of State for the Home Department what actions he proposes to take on the allocation of visas to child refugees from Albania. [61628]

Mr. Mike O'Brien: Applications for entry clearance have been received from Ms Sally Becker of Operation Angel for a total of 91 individuals, a third of which are in respect of children needing medical treatment. They have been referred to the Home Office from the British Embassy in Tirana.

The applications fell to be considered under the Immigration Rules relating to persons seeking to enter the United Kingdom as visitors for private medical treatment or simply as visitors. Under these Rules, we have to be satisfied, among other requirements, that there is satisfactory evidence about the medical condition and its treatment, that the person will be able to maintain and accommodate himself or herself and any dependants without recourse to public funds and that the person intends to leave the United Kingdom at the end of the period of the treatment or visit. In the absence of satisfactory evidence from Operation Angel or any other source, we were certainly not satisfied that these requirements were met in the applications.

We considered whether there were grounds for treating the application son a discretionary basis outside the Immigration Rules, but concluded that it would not be appropriate to do so. In reaching this decision, we took account of the fact that Ms Becker had not taken Government advice and guidance on how to bring such an evacuation within the recognised official procedures: she had not demonstrated the option of local treatment through the international agencies and had not made a proper case on medical grounds. We were also aware that my right hon. Friend the Secretary of State for International Development has in place a humanitarian strategy for former Yugoslavia (including Kosovo) and Albania. Furthermore, in the absence of adequate guarantees of funding from Operation Angel, we had to take account of the likely cost to the taxpayer in the almost certain event of recourse to public funds which, for a group of this size, would be of the order of £400,000 a year. We accordingly decided to refuse the applications. Ms Becker was notified of this decision by the British Embassy in Tirana on Friday 13 November.

NORTHERN IRELAND

ME

7. **Rev. Martin Smyth:** To ask the Secretary of State for Northern Ireland if she will grant core funding to the Myalgic Encephalomyelitis Association in Northern Ireland in 1999–2000. [61204]

Mr. McFall: I have received an application for core funding from the ME Association. No decisions have yet been taken in relation to voluntary sector funding for the next financial year. However, I can assure the hon. Gentleman that I will look sympathetically at this request.

Decommissioning

9. **Mrs. Laing:** To ask the Secretary of State for Northern Ireland what progress has been made on the decommissioning of illegally held arms and explosives. [61206]

28. **Mr. Fraser:** To ask the Secretary of State for Northern Ireland when she expects the decommissioning of illegally held arms and explosives to begin. [61225]

30. **Mr. Swayne:** To ask the Secretary of State for Northern Ireland what progress is being made in securing the decommissioning of weapons. [61227]

Marjorie Mowlam: I refer the hon. Members to the answer I gave to the hon. Members for Witney (Mr. Woodward), for Mid-Worcestershire (Mr. Luff) and for Runnymede and Weybridge (Mr. Hammond) on 2 December 1998, *Official Report*, column 865.

26. **Mr. Viggers:** To ask the Secretary of State for Northern Ireland if she will make it her policy that prisoner releases and the decommissioning of illegally held arms and explosives should proceed in parallel. [61223]

Marjorie Mowlam: The Government's policy is to implement the Belfast Agreement in full. The accelerated release of prisoners and the decommissioning of illegally held arms are both integral parts of the Agreement and it is essential that they, like every part, are implemented in full. There is no direct linkage in the Agreement and the Government cannot rewrite the Agreement.

29. **Mr. Donaldson:** To ask the Secretary of State for Northern Ireland what plans she has to review the conduct of specified organisations in co-operating with the International Commission on Decommissioning under section 3(9)(d) of the Northern Ireland (Sentences) Act 1998. [61226]

Marjorie Mowlam: The organisations currently specified under the Northern Ireland (Sentences) Act 1998 are INLA, Continuity IRA and the Real IRA. None of them are co-operating with the International Commission on Decommissioning.

The conduct of organisations, specified and not specified, is under continual review to ensure that those organisations which have not established or are not maintaining a complete and unequivocal ceasefire remain specified. All relevant factors, including the four factors set out in section 3(9) of the Act, are taken into account.

School Examination Results

10. **Sir Teddy Taylor:** To ask the Secretary of State for Northern Ireland what assessment she has made of school exam results in Northern Ireland relative to the rest of Great Britain. [61207]

Mr. McFall: The Department of Education in Northern Ireland routinely compares school performance in examination with those in England and Wales. Comparisons with Scotland are difficult because of the different examination system. Standards in Northern Ireland have been improving each year and compare very favourably with the other regions. I offer my congratulations to pupils and teachers on their achievements.

Industrial Development Board

11. **Mr. Ilisley:** To ask the Secretary of State for Northern Ireland what plans she has to reform the working of the Industrial Development Board. [61208]

Mr. Ingram: The structure of the industrial development bodies in Northern Ireland, including the Industrial Development Board, are being considered as part of the Economic Development Strategy Review.

Peace Process

12. **Mr. Winnick:** To ask the Secretary of State for Northern Ireland if she will make a statement on the latest position in the peace process. [61209]

20. **Mr. John Smith:** To ask the Secretary of State for Northern Ireland if she will make a statement on progress following the Belfast agreement. [61217]

22. **Mr. Simon Hughes:** To ask the Secretary of State for Northern Ireland when she expects final implementation of the arrangements contained in the Belfast agreement. [61219]

24. **Mr. McWalter:** To ask the Secretary of State for Northern Ireland what progress has been made on the Belfast agreement; and if she will make a statement. [61221]

Mr. Paul Murphy: Considerable progress has been made in implementing the Belfast Agreement. Intensive consultations continue with a view to reaching early agreement on the number of Ministerial offices and on areas for North/South co-operation. I look forward to the full implementation of all aspects of the Agreement and to the launch of the various new institutions early in 1999.

Parades Commission

13. **Mr. Thompson:** To ask the Secretary of State for Northern Ireland if she will abolish the Parades Commission. [61210]

Mr. Ingram: No.

The Parades Commission retains the complete confidence of the Government in its ability to operate in an independent, impartial and even-handed way in the best interests of all the people of Northern Ireland.

Inward Investment

14. **Mr. Browne:** To ask the Secretary of State for Northern Ireland what action is being taken to encourage inward investment in Northern Ireland from *(a)* the United States and *(b)* elsewhere. [61211]

16. **Mr. Quinn:** To ask the Secretary of State for Northern Ireland what action is being taken to encourage inward investment in Northern Ireland from *(a)* the United States and *(b)* elsewhere. [61213]

Mr. Ingram: During October, my right hon. Friend the Secretary of State together with the right hon. Member for Upper Bann (Mr. Trimble) and the hon. Member for Newry and Armagh (Mr. Mallon) led a major initiative in North America. Through a series of executive briefings they very successfully promoted Northern Ireland as a world class investment location, building on the political progress following the Good Friday agreement. Similar briefings have been undertaken in Europe and are being considered for Asia Pacific.

Farming (Government Support)

15. **Mr. Bill O'Brien:** To ask the Secretary of State for Northern Ireland what support the Government are giving to farmers in Northern Ireland in the current financial year. [61212]

27. **Mr. Dobbin:** To ask the Secretary of State for Northern Ireland what support the Government are giving to farmers in Northern Ireland. [61224]

Mr. Paul Murphy: The Government announced on 16 November 1998 a special aid package for United Kingdom farmers amounting to about £120 million. This package is likely to be worth some £19 million to Northern Ireland farmers. A total of just over £1 million was paid earlier under a one-off Pig Welfare Slaughter Scheme and to suckler cow producers whose herds were badly affected by BSE.

Victims of Violence

17. **Fiona Mactaggart:** To ask the Secretary of State for Northern Ireland what actions she is taking to help people who have been victims of violence in Northern Ireland. [61214]

Mr. Ingram: Following the publication of Sir Kenneth Bloomfield's report "We Will Remember Them", we undertook an extensive consultation to seek the views of those affected by the violence in Northern Ireland. I have already announced a number of significant initiatives to address the needs of victims, and others will be introduced when the outcome of the consultation is assessed.

Public Transport

18. **Mr. Forsythe:** To ask the Secretary of State for Northern Ireland how many staff are currently employed by *(a)* Ulsterbus and *(b)* Northern Ireland Railways. [61215]

Mr. Paul Murphy: Ulsterbus currently employs 2,151 members of staff and Northern Ireland Railways employs 663.

Prisoners (Early Release)

19. **Mr. Nicholas Winterton:** To ask the Secretary of State for Northern Ireland what representations she has received concerning the early release of terrorist prisoners. [61216]

Mr. Ingram: I have received a number of representations from various political parties, groups and individual members of the public concerning the early release of prisoners.

Nursery Places

21. **Mr. McNulty:** To ask the Secretary of State for Northern Ireland what steps she is taking to increase the number of nursery school places. [61218]

Mr. McFall: The first year of our Pre-School Education Expansion Programme has increased pre-school education provision by 20 per cent. and provided places for an additional 2,200 children. We expect to make further substantial progress over the next 3 years towards our long-term aim of providing a year of pre-school education for every child.

Anti-drugs Strategy

23. **Mrs. Ann Winterton:** To ask the Secretary of State for Northern Ireland if she will make a statement on progress with the Government's anti-drugs strategy in Northern Ireland following the appointment of the UK anti-drugs co-ordinator. [61220]

Mr. Ingram: The current strategy for tackling the drug problem in Northern Ireland was published in 1995. With the appointment of the UK anti-drug Co-ordinator and the production of a new 10 year strategy for tackling drug misuse, that strategy is currently being reviewed. A new strategy document is expected early in 1999.

Security Situation

Miss McIntosh: To ask the Secretary of State for Northern Ireland if she will make a statement on the security situation in Northern Ireland. [61222]

Mr. Ingram: I refer the hon. Member to the reply I gave to the hon. Members for North Shropshire (Mr. Paterson) and for Beaconsfield (Mr. Grieve) on 2 December 1998, *Official Report*, column 870.

Port of Belfast

Mr. McNulty: To ask the Secretary of State for Northern Ireland how expenditure incurred by the Department of the Environment for Northern Ireland on consultancy advice, to assist in its consideration of Belfast Harbour Commissioner's proposal to transfer the Port of Belfast to the private sector, will be funded. [62345]

Marjorie Mowlam: Belfast Harbour Commissioners have brought forward their proposal to transfer the Port to the private sector under the terms of the Ports (NI) Order 1994. The legislation does not, however, empower the Department to incur expenditure in considering that proposal.

Parliament's approval for expenditure on consultant's fees associated with this proposal in the current financial year will be sought in a Supplementary Estimate for Department of the Environment Vote 1 (Roads, Transport and Ports). Pending that approval, expenditure will be met by repayable advances from the Northern Ireland Consolidated Fund.

St. Angelo's Airport

Mr. McNulty: To ask the Secretary of State for Northern Ireland how planned expenditure incurred by the Department of the Environment for Northern Ireland on the runway strengthening and provision of storage facilities at St. Angelo's Airport, Co. Fermanagh will be funded. [62346]

Marjorie Mowlam: This was one of a number of projects to benefit from the Chancellor's Fund announced on 12 May 1998. Parliament's approval for the planned expenditure in the current financial year will be sought in a Supplementary Estimate for Department of the Environment Vote 1 (Roads, Transport and Ports). Pending that approval, expenditure will be met by repayable advances from the Northern Ireland Consolidated Fund.

HEALTH

Adoption

Dr. Cable: To ask the Secretary of State for Health if he will assess the recommendations of the September report of the British Agencies of Adoption and Fostering; and if he will make a statement. [61028]

Mr. Hutton: We have taken note of the British Agencies for Adoption and Fostering Action Plan which will help inform its own strategic plans for adoption, to be taken forward in the "quality protects" programme to improve children's services, announced on 21 September 1998.

Dr. Cable: To ask the Secretary of State for Health what steps will be taken to ensure that local authorities implement recent ministerial guidance on adoption practices. [61026]

Mr. Hutton: "Adoption—Achieving the Right Balance" was published on 28 August 1998 under Local Authority Circular (98)20 and addressed to members and directors of local authorities and directors of voluntary adoption societies. The guidance raised a number of important issues for improving the adoption service including better strategic planning, avoiding delay in placing children for adoption and the introduction of measures to avoid children drifting in the care system. This guidance was prepared as part of our initiative "quality protects"; within this context therefore, we will be working closely with local authorities for the improvement of services for children, including adoption. The Department will monitor progress carefully to ensure that effective measures for achieving improvements have been introduced.

Dr. Cable: To ask the Secretary of State for Health what guidance is given by his Department on appropriate maximum charges for home studies for inter-country adoption. [61023]

Mr. Hutton: Fees charged by local authorities and adoption agencies are expected to cover the cost of preparing and assessing prospective adopters, submitting a report on the applicant concerning their suitability to

become adoptive parents of children living abroad and any administrative costs. The Department has given no guidance about a maximum fee.

Dr. Cable: To ask the Secretary of State for Health on what criteria countries are selected for negotiating bilateral agreements for inter-country adoptions. [61021]

Mr. Hutton: Bilateral adoption agreements are essentially formal arrangements to enable citizens of the United Kingdom to adopt children from countries overseas meeting the requirements of the United Kingdom and the particular country concerned. Agreements are proposed by the Department in regard to countries which have little experience of intercountry adoption, with the aim of ensuring that the Department submits applications only for prospective adopters approved by the proper authorities in the UK. Also, the UK responds to requests for an adoption agreement where a country makes it a condition absolute before UK citizens are permitted to apply to adopt children from that country.

Dr. Cable: To ask the Secretary of State for Health what criteria are employed by the *(a)* Department of Health and *(b)* Social Services Inspectorate in cases where they have rejected local authority home study assessments for overseas adoption. [61027]

Mr. Milburn: In its consideration of overseas adoption applications which are supported by a local authority or approved intercountry adoption agency, the Department, acting on advice of the Social Services Directorate, applies the same standards and criteria as are applied for domestic applications. Since 1993, the Department has been unable to support 6 applications out of a total of approximately 1,100. In addition, the Department will not support applications which do not meet the requirements of the applicants' country of choice.

Dr. Cable: To ask the Secretary of State for Health what is the latest estimate available of the number of children entering the UK for adoption following approval by his Department in the financial year 1997–98. [61025]

Mr. Hutton: Based on the number of adoption applications supported by the Department, the number of children entering the United Kingdom in the financial year 1997–98 for the purposes of adoption was approximately 220.

Dr. Cable: To ask the Secretary of State for Health what steps *(a)* have been taken to date and *(b)* are planned, to involve public interest and advisory groups in discussion of future adoption legislation. [61024]

Mr. Hutton: A comprehensive review of adoption law culminated in the publication in March 1996 of the consultative document "Adoption—A Service for Children". We will consult widely on any proposed adoption legislation which differs substantially from the 1996 proposals.

Food Provision (Homeless People)

Mr. Crausby: To ask the Secretary of State for Health what steps he is taking to co-ordinate food provision for, and establish healthy eating initiatives among, homeless people. [61016]

Ms Jowell: Local and voluntary schemes are best placed to meet the needs of this vulnerable but very mobile group.

Proteus Syndrome

Mr. Michael Jabez Foster: To ask the Secretary of State for Health how many *(a)* children and *(b)* adults are currently suffering from Proteus syndrome; what is their age profile; and what training is given to paediatricians and others in the NHS to recognise and treat the condition. [61619]

Mr. Hutton: The information requested is not held centrally. Paediatricians are initially in the lead in diagnosing this rare disorder and in working through the options available for treatment—which can range over a number of specialist services depending upon the severity and manifestation of individual cases. Diagnosis and treatment options for Proteus syndrome form part of paediatricians' education and training.

Anti-convulsant Drugs

Mr. Luff: To ask the Secretary of State for Health what assessment his Department has made of the safety of epilim and other anti-convulsant drugs for use by pregnant women; and if he will make a statement. [61623]

Ms Jowell: Epilim and other anticonvulsant drugs, as for all marketed medicines, are assessed by the Department to determine their safety for use by pregnant women. Available relevant research is assessed at the time of granting a Marketing Authorisation for a product and continues to be evaluated on an ongoing basis by the Medicines Control Agency. Risks to the foetus are recognised for anticonvulsant therapies and information about whether and how to use medicines in pregnant patients can be found in the authorised product information for health professionals and patients. The risks of loss of epileptic control need to be weighed against the risks to the foetus of these treatments. General prescribing advice on the use of antiepileptic therapy in pregnancy can be found in the British National Formulary.

Overhead Power Lines

Miss McIntosh: To ask the Secretary of State for Health what research his Department has *(a)* commissioned and *(b)* evaluated into the health effects of emissions from overhead power lines, with particular reference to (i) electric and (ii) magnetic fields. [61465]

Ms Jowell: The Department has been supporting, in part, the United Kingdom childhood cancer study, which is expected to report next year. This large study is designed to investigate childhood cancer in relation to various possible causes including exposure to electric and magnetic fields. The Department is also funding a complementary study co-ordinated by the childhood cancer research group, in Oxford, investigating cancer incidence near power lines. Other work being supported by the Department are at Bristol University, on the effect of electric fields on pollutant aerosols, and a laboratory study at Brunel University. The Department is also contributing to the World Health Organisation electromagnetic fields project.

The Department obtains advice on the health implications of exposure to electromagnetic fields primarily from the National Radiological Protection

Board (NRPB). The NRPB's advisory group on non-ionising radiation conducted an extensive review of the subject in 1992 and concluded that there was no firm evidence of a carcinogenic hazard from exposure that might be associated with residence near major sources of electricity supply. The Committee on Medical Aspects of Radiation in the Environment has endorsed the advisory group's report. Supplementary reports in 1993 and 1994 were published by the NRPB to take into account the results of new epidemiological studies from Scandinavia, France and Canada. Copies of the advisory group's report and the supplementary documents are available in the Library. A further comprehensive review by the advisory group is under way and will be published on completion of the UK childhood cancer study.

Miss McIntosh: To ask the Secretary of State for Health what research his Department has *(a)* commissioned and *(b)* evaluated into aspects of exposure to pollutants under power lines, with particular reference to the work of Professor Henshaw and his colleagues at Bristol University. [61464]

Ms Jowell: The Department is supporting several studies of the possible health effects of electromagnetic fields. One of these studies by Professor Henshaw, investigating aerosol pollutants under power lines, has been under way for a few months. No evaluation has yet been undertaken.

Vitamins and Herbs

Mr. Mitchell: To ask the Secretary of State for Health what plans the Medicines Control Agency has to review the guidance in Medicines Act Leaflet Number 8; and what is the status of that leaflet. [61618]

Ms Jowell: The Medicines Control Agency will review its Guidance Leaflet (Medicines Act Leaflet 8: "A Guide to What is a Medicinal Product") to reflect any changes to medicines legislation which is approved by Parliament following the conclusion of its present consultation exercise on proposals to place the classification process for "borderline products" on a statutory basis. The leaflet is for guidance only.

Mr. Mitchell: To ask the Secretary of State for Health if a manufacturer of a blend of herbs and vitamins which is assessed by the Medicines Control Agency as medicinal by presentation is given the opportunity to review the presentation of that product prior to enforcement action being taken. [61639]

Ms Jowell: When notifying a manufacturer that it has determined a product is a medicine because it is presented for treating or preventing disease, the Medicines Control Agency requires compliance with the law by withdrawal of the product. The manufacturer may subsequently be able to comply with the law by placing the product on the market in a way which does not present it as treating or preventing disease.

Mr. Mitchell: To ask the Secretary of State for Health what plans officials in *(a)* his Department and *(b)* the Medicines Control Agency have to meet manufacturers of vitamin and herb blends to discuss the licensing of their products as medicines in the United Kingdom. [61669]

Ms Jowell: Officials of the Medicines Control Agency (MCA), an executive agency of the Department, regularly meet the associations representing manufacturers of these products. When necessary, officials of the MCA also meet individual manufacturers to discuss the licensing of their products.

Mr. Mitchell: To ask the Secretary of State for Health by what criteria the Medicines Control Agency assesses whether a blend of herbs and vitamins is medicinal by *(a)* function and *(b)* presentation; and if a manufacturer whose products are so assessed is given a written statement of the reasons for that decision. [61638]

Ms Jowell: The Medicines Control Agency (MCA) assesses products against the definition of a medicinal product in European Commission and United Kingdom law. It also has regard to legal precedent and its own published guidance (Leaflet MAL 8: "A Guide to What is a Medicinal Product"). Broadly, the assessment of a product's functionality focuses on the pharmacological effect of its ingredient(s) on human physiology, while the assessment of a product's presentation considers a whole range of factors, including any claims made for the product in promotional material or on its labelling and packaging (whether explicit or implied), its name, the form, and the consumers targeted. The MCA also considers the opinion of the product's purpose an averagely well informed consumer would gain from its ingredient(s) and presentation. It is normal practice for the MCA to explain to the manufacturer the grounds for a classification decision.

Mr. Mitchell: To ask the Secretary of State for Health if the Medicines Control Agency consults independent scientific experts when considering whether a herb and vitamin blend is medicinal by function; and if the manufacturer of such a product is able to have access to expert advice obtained by the agency. [61637]

Ms Jowell: The Medicines Control Agency (MCA) generally relies on the objective and expert advice of its own medical and pharmaceutical assessors. However, there are occasions when taking advice from external experts is appropriate. The MCA informs manufacturers of the impact of expert advice when classifying their products.

Vaccines

Mr. Llew Smith: To ask the Secretary of State for Health what requests he has made to the manufacturers of MR and MMR vaccines for data on the possible side-effects of their products. [61612]

Ms Jowell: Since 1988 the Medicines Control Agency (MCA) has requested information from the manufacturers of measles, mumps and rubella vaccine about aseptic meningitis and idiopathic thrombocytopenic purpura.

Manufacturers have an ongoing obligation to provide to the MCA all serious suspected adverse reactions within 15 days of receipt, and to provide periodic safety update reports at specified intervals.

In addition, manufacturers may be requested at any time to provide further information necessary for the evaluation of the risks and benefits of a medicine.

Medical Negligence

Dr. Brand: To ask the Secretary of State for Health how many medical negligence cases have been settled out of court in each of the last three years; and how many of the medical practitioners who have accepted medical negligence through an out of court settlement have been referred to the General Medical Council. [61799]

Mr. Milburn: The information requested is not collected centrally.

Cardiac Disease

Mr. Cotter: To ask the Secretary of State for Health how many people have been diagnosed with cardiac disease or illness in each of the last five years; and how many of those people have died as a result of that disease or illness. [61945]

Mr. Hutton: The number of people diagnosed with cardiac disease or illness is not available. The Health Survey for England 1994 showed that, overall, 23.7 per cent. of men reported suffering from a cardiovascular disorder, as did 25.7 per cent. of women. However, this could include a wide range of conditions such as raised blood pressure, heart murmurs or irregular rhythms, angina, strokes and heart attacks.

The numbers of Finished Consultant Episodes (which record how many people are admitted to hospital within each specialty) for cardiac illness in 1994–95 were as follows:

Specialty	*Ordinary admissions*	*Day cases*	*Total*
Cardiothoracic surgery	63,224	3,066	66,290
Cardiology	121,212	27,757	148,969
Totals	184,436	30,823	215,259

The first national service framework on coronary heart disease includes the management of patients with all forms of heart disease. The emerging findings report, which was published on 20 November, contains draft standards which include the care of heart patients in hospital and in the community.The numbers of people who have died from heart diseases in the last five years are as follows: The data are presented for persons of all ages, in England (only).

(a) Deaths from coronary heart disease (ICD-9 410–414)

Year	*EASR*[1]	*Deaths*
1990	207.4	138,154
1991	206.0	139,961
1992	197.9	136,118
1993	195.5	136,160
1994	179.3	125,962
1995	173.6	123,886
1996	167.3	120,792
1997	157.7	114,849

(b) Deaths from coronary heart disease and stroke (ICD-9 410–414 and 430–438)

Year	*EASR*[1]	*Deaths*
1990	292.9	200,728
1991	292.3	204,244
1992	279.9	198,244
1993	270.1	193,423
1994	250.3	180,837
1995	244.2	179,594
1996	237.6	176,884
1997	225.0	168,995

(c) Deaths from all circulatory disease (ICD-9 Ch.VII)

Year	*EASR*[1]	*Deaths*
1990	351.7	242,205
1991	348.8	244,778
1992	334.4	237,982
1993	334.0	240,609
1994	310.5	225,561
1995	305.1	225,511
1996	297.7	222,695
1997	283.7	214,104

[1] European Age Standardised Rate per 100,000 population (EASR) is the most meaningful illustration. However it helps to know what this represents in actual bodies so we have included numbers of deaths

Waiting Lists

Mr. Brady: To ask the Secretary of State for Health if he will issue guidelines to all health authorities requiring that patients should not be removed from waiting lists at the time that they are booked for an operation. [61843]

Mr. Milburn *[holding answer 1 December 1998]:* Waiting lists should include both patients who have been given a date for admission and those waiting to be notified of one. This is set out clearly in NHS Waiting Times Guidelines for Good Administrative Practice, issued to health authorities and trusts in January 1996. Copies are available in the Library.

Elderly Patients (Emergency Readmissions)

Mr. Burstow: To ask the Secretary of State for Health if he will publish the first and second quarter figures for 1998–99 for the number of patients aged 75 years and over who were readmitted to hospital as an emergency within 28 days of discharge. [61872]

Mr. Milburn *[holding answer 1 December 1998]:* The number of patients aged 75 and over who were readmitted as an emergency within 28 days of discharge in the first two quarters of 1998–99 is shown in the table. The table also shows this figure as a percentage of people over 75 who have been discharged from hospital in the previous 90 days.

The number of patients aged 75 and over who were readmitted as an emergency within 28 days of discharge during 1998–99

	Number of readmissions	*As a % of discharges*
Q1	29,506	8.6
Q2	29,076	8.4

Source:
NHS Executive Quarterly Monitoring Activity data 1998–99.

VAT (Medicines)

Mr. Burstow: To ask the Secretary of State for Health what assessment he has made of the *(a)* financial and *(b)* other effects of the VAT order on the supply of certain renal and cancer drugs and on pharmaceutical products by retail pharmacists to residents of nursing homes. [61939]

Mr. Milburn *[holding answer 1 December 1998]:* The financial effect of the Value Added Tax Order on the supply of certain renal and cancer drugs was estimated at £3.5 million per annum. The Order is not being implemented for these items until 1 April 1999, when the increased funding available to the NHS will be in place.

The effect of the VAT Order on the supply of prescribed items by retail pharmacists to residents of nursing homes would be to make such items subject to VAT at the standard rate. However, there would be significant problems in altering NHS systems to comply with the Order and, as a result, Her Majesty's Treasury has decided not to implement this aspect of the Order.

There are no other effects of the VAT Order on the supply of certain renal and cancer drugs and on pharmaceutical products by retail pharmacists to residents of nursing homes.

Electro-convulsive Therapy

Mr. Swayne: To ask the Secretary of State for Health what representations he has received regarding electro-convulsive therapy; and if he will make a statement. [62012]

Mr. Hutton: We have received a number of representations about electro-convulsive therapy (ECT) and, in conjunction with the president of the Royal College of Psychiatrists, the Chief Medical Officer wrote to all National Health Service trusts and consultant psychiatrists in September reminding them of the need to ensure ECT is properly administered in accordance with the College of Psychiatrists' procedures and guidance described in the ECT handbook.

Personal Social Services

Ms Coffey: To ask the Secretary of State for Health what capital resources he is making available to local authorities for the personal social services in 1999–2000, 2000–01 and 2001–02. [62351]

Mr. Dobson: Capital resources of £61.9 million will be made available to local authorities as follows:

£ million

	1999–2000	*2000–01*	*2001–02*
Secure accommodation grant	6.2	6.2	6.2
Basic credit approvals	37.0	37.0	37.0
Supplementary credit approvals:			
Mental Health	15.6	15.6	15.6
AIDS/HIV	3.1	3.1	3.1

Note:
The figures shown for 2000–01 and 2001–02 are provisional amounts at this stage

Asthma

Mr. Baker: To ask the Secretary of State for Health what are the rates of asthma among people living in the health authority areas covering *(a)* Gatwick and *(b)* Heathrow airports, relative to the national average. [61894]

Ms Jowell: There are no comprehensive data on the number of people with asthma. Asthma is estimated to affect 4 per cent. of adults and between 4 and 6 per cent. of children sufficiently severely to require medical supervision. Information is not available centrally on the rates of asthma in West Sussex and Hillingdon health authorities, which cover Gatwick and Heathrow airports respectively.

WALES

Police Authority Spending

Ms Lawrence: To ask the Secretary of State for Wales what are his proposals for police authority revenue spending in 1999–2000. [62482]

Mr. Michael: I propose to make £359.0 million available from total standard spending in Wales to fund police services in 1999–2000. This sum comprises £180.7 million in cash-limited police grant, to be paid by my right hon. Friend the Home Secretary, and £178.3 million in standard spending assessments (SSA). Excluding capital charges, it represents an increase of £8.8 million. The increase including capital charges is £6.0 million.

The sums for each police authority are set out in the following table.

£ million

Police authority	*Police grant*	*SSA*	*Total*
Dyfed-Powys	25.9	25.6	51.5
Gwent	34.8	34.5	69.3
North Wales	38.0	37.2	75.1
South Wales	82.0	81.1	163.1

Note:
Figures may not add due to rounding

My Department is today writing to each police authority in Wales consulting it on its provisional standard spending assessment for 1999–2000. The figures may alter slightly if the balance of funding between police authorities, which is determined by a joint formula for Wales and England, changes as a result of consultation.

Copies of the consultation letter have been placed in the Library of the House.

TRADE AND INDUSTRY

World Trade Organisation

Mrs. Mahon: To ask the Secretary of State for Trade and Industry if reports from representatives of Her Majesty's Government who are members of the United Kingdom delegation to the World Trade Organisation in Geneva are made public. [61167]

Mr. Wilson: No.

Mrs. Mahon: To ask the Secretary of State for Trade and Industry to whom the representatives of Her Majesty's Government who are members of the delegation to the World Trade Organisation in Geneva report. [61165]

Mr. Wilson: They report to the relevant Government Department, depending on the issue in question, with my Department having the overall responsibility for the World Trade Organisation.

Lear Corporation Facility, Colne

Mr. Gordon Prentice: To ask the Secretary of State for Trade and Industry what steps he is taking to persuade the Lear Corporation to retain its manufacturing facility in Colne. [61643]

Mr. Battle: DTI officials at the Government Office for the North West have been in close touch with the company. I understand that the proposed closure is part of the company's planned reorganisation of its European operations, and that the company intends to retain the production capacity and jobs in the UK. I further understand that part of the plant will be sold to new owners which may safeguard some of the jobs. Officials from the Government Office, the Employment Service and TEC will maintain close contact with the local management to offer advice and assistance, and to work with the new owners.

Textiles Industry

Mr. Gordon Prentice: To ask the Secretary of State for Trade and Industry when he plans to respond to the BATC/GMB/KFAT/TGWU action plan for the textiles industry. [61647]

Mr. Battle: I met with representatives of the textiles and clothing industries and unions on 24 November to discuss their Action Plan for the industry. It represents a solid basis upon which the Social Partners can develop a more detailed strategy for addressing the competitiveness of the sector. I offered the services of my Department to facilitate the development of that strategy.

Telecommunications Council

Mr. Hood: To ask the Secretary of State for Trade and Industry what was the outcome of the Telecommunications Council held in Brussels on 27 November; and if he will make a statement. [62034]

Mrs. Roche: I represented the UK at the Telecommunications Council held in Brussels on 27 November.

The Council reached unanimous political agreement in respect of common positions on two Decisions establishing a five year programme for the Interchange of Data between Administrations (IDA). No agreement was reached on a draft Directive on a framework for electronic signatures, and it was therefore agreed that this proposal should be referred back to the Committee of Permanent Representatives for further discussion.

The Commission also made oral presentations on: a Communication on implementation by Member States of Community legislation in the telecommunications sector; a Green Paper on radio spectrum policy; and on a report to the European Council on job opportunities in the information society. The Commission also provided an oral update on: the outcome of the OECD Conference on electronic commerce held in Ottawa in October; progress within the "Global Business Dialogue" on electronic commerce; and on internet domain name governance issues. The Presidency made an oral presentation on the outcome of the Conference "Coping with Convergence" held in Vienna on 3 November 1998.

Tobacco Advertising

Jackie Ballard: To ask the Secretary of State for Trade and Industry what plans he has to promote global standards on tobacco advertising. [61912]

Ms Jowell: I have been asked to reply.

Government officials will fully co-operate in the planning, scheduling and information-sharing that would accompany the development of an international framework convention for tobacco control, intended to facilitate and encourage member states to strengthen their own national tobacco control policies. They will liaise with relevant organisations in taking this forward. We hope that the forthcoming White Paper on Tobacco Control will provide a model in the development and operation of a framework convention.

SOCIAL SECURITY

Disability Awareness Training

Mr. Gerrard: To ask the Secretary of State for Social Security what disability awareness training is currently provided for his Department's staff, with particular reference to assisting partially-sighted or blind people; and what proposals he has for future training. [60999]

Mr. Timms: Each Agency develops its own programme of training. They have always included in their programmes training for awareness of disabilities which has included awareness of the difficulties faces by partially-sighted and blind people. The profile of this training was raised when the Disability Discrimination Act 1996 came into force.

Although staff training in most of the Department's Agencies to assist partially-sighted or blind people is encompassed in their general disabilities training, for the future the Benefits Agency and Contributions Agency intend to commit themselves to the ten steps of the Charter "See It Right" issued by the Royal National Institute for the Blind.

Benefits (Means Testing)

Dr. Lynne Jones: To ask the Secretary of State for Social Security if he will list those benefits not currently means-tested which will be means-tested in future as a result of the plans he has announced to date. [61423]

Mr. Timms: The proposals in the consultation documents "A new contract for welfare: Support for Disabled People" published on 28 October and "A new contract for welfare: Support in Bereavement" published on 18 November do not cause any benefit which has no current means testing to become means tested. Contributory benefits already contain long-standing rules which take some account of income. Our plans to take

some account of occupational and personal pension income over £50 a week for future Incapacity Benefit claims are in line with previous practice in contribution-based Jobseeker's Allowance, and will strike a fairer partnership between State and private provision. No existing claimant at the point of change will be affected.

Benefits Agency Medicals

Ms Walley: To ask the Secretary of State for Social Security what the current arrangements are for assessing and paying travelling expenses of those attending Benefits Agency medicals; and what the previous arrangements were. [61190]

Angela Eagle: The administration of the Benefits Agency is a matter for its Chief Executive, Peter Mathison. He will write to my hon. Friend.

Letter from Peter Mathison to Ms Joan Walley, dated 1 December 1998:

The Secretary of State for Social Security has asked me reply to your recent Parliamentary Question asking about the current arrangements for assessing and paying travelling expenses of those attending Benefits Agency Medicals, and what were the previous arrangements.

The current arrangements are that a customer will be given the opportunity to complete a claim from for reimbursement of reasonable travelling expenses, incurred during their visit to the designated Medical Examination Centre, at the time of their medical examination. The claim form covers travelling costs incurred using agreed transport methods as well as car parking, subsistence and financial loss allowance where appropriate. Travel by private transport is paid at a standard rate per mile, whilst parking, bus, train and authorised taxis are also paid on production of a ticket or receipt.

Since the provision of Medical Services was contracted out to Sema Group on 1 September 1998, Sema Group Finance is now responsible for the central payment of claims whereas previously all customer's expenses were paid locally by Disability Benefit Centre's finance sections. They have also increased the number of ways a payment can be made. Previously there were two methods of payment, direct to a bank account and by girocheque. Since 1 September, in addition to the above methods, payment can be made by ordinary cheque, and a limited number of outlying Scottish examination centres have the facility to issue cash payments.

I hope you find this reply helpful.

Invalid Care Allowance

Ms Walley: To ask the Secretary of State for Social Security how many people in North Staffordshire are in receipt of Invalid Care Allowance. [61189]

Mr. Timms: The administration of the Benefits Agency is a matter for its Chief Executive, Peter Mathison. He will write to my hon. Friend.

Letter from Peter Mathison to Ms Joan Walley, dated 1 December 1998:

I am replying to your recent Parliamentary Question asking how many people in North Staffordshire are in receipt of Invalid Care Allowance (ICA).

North Staffordshire is served by the Benefit Agency's (BA's) North Staffordshire District with offices situated in Hanley, Longton, and Newcastle-Under-Lyme. The District does not correspond to Constituency or Local Authority boundaries.

On 25 November 1998 The ICA's computer system identified 3,650 people receiving ICA in the area covered by the BA District. This figure is provisional and subject to change.

I hope you find this reply helpful.

Pensioners (Means-tested Benefits)

Mr. Webb: To ask the Secretary of State for Social Security if he will estimate the number of benefit units where *(a)* more than 25 per cent., *(b)* more than 50 per cent., *(c)* more than 75 per cent. and *(d)* 100 per cent. of the income from occupational and personal pensions is offset by reductions in entitlement to means-tested benefits. [60925]

Mr. Denham *[holding answer 27 November 1998]:* The information is not available in the format requested. Such information as is available is in the table.

The number of benefit units where the income from an occupational pension is offset by reductions in entitlement to means-tested benefits

Estimated benefit units in each category at 1999–2000	*Number*
(a) more than 25 per cent. up to 50 per cent.	200,000
(b) more than 50 per cent. up to 75 per cent.	200,000
(c) more than 75 per cent. up to 100 per cent.	450,000
(d) 100 per cent.	300,000

Notes:

1. Figures are not available for personal pensions.
2. These figures relate to Income Support, Working Families Tax Credit, Housing Benefit and Council Tax Benefit only and are the estimated result of discounting occupational pension income entirely for the purposes of all benefit assessment.
3. Figures are rounded to the nearest 50,000 cases and are based upon the Department's Policy Stimulation Model of income-related benefits. This model draws data from the 1995–96 Family Resources Survey, uprated to 1999–2000 levels, and calibrates estimated income-related benefit results.
4. Estimates from household surveys based on reported income holdings are subject to differing levels of response. Consequently these figures should not be interpreted as precise point estimates, but rather as indicative only of broad magnitudes.

Centenarians

Mr. Gray: To ask the Secretary of State for Social Security what his policy is with regard to 100th birthday greetings; for what reasons he sends them; how his Department verifies the age of those claiming to be centenarians; what the cost is of such verification and delivering such 100th birthday greetings; and if he will make a statement. [61715]

Mr. Darling: Following the tradition of previous Secretaries of State for Social Security, a congratulatory message is sent to those receiving a Social Security benefit and celebrating their 100th birthday, 105th birthday and subsequent birthdays.

Verification of age is obtained from Departmental records and the cost of this which includes checks on the well being of the claimant is incorporated into normal running costs. The estimated cost of collating the information and sending each telemessage is approximately £7.60. For the period 1 January to 30 November 1998, 3,192 messages were sent.

Contributions Agency Computer

Mr. Whittingdale: To ask the Secretary of State for Social Security when he expects the NIRS 2 computer system at the Contributions Agency to be operational; and if he will make a statement. [61935]

Mr. Timms: I refer the hon. Member to the answers I gave to the hon. Members for Newbury (Mr. Rendel) and for Christchurch (Mr. Chope) on 22 October 1998, *Official Report*, column *1187*.

Lone Parents

Mr. Rendel: To ask the Secretary of State for Social Security if he will make a statement on the reasons for the low number of initial interviews carried out under the New Deal for lone parents compared with the number of initial interviews requested. [62013]

Angela Eagle: The number of initial interviews carried out under the New Deal for Lone Parents is in line with expectations. Up to 23 October 1998, over 30,000 interviews had been booked and over 23,000 already carried out.

The initial contact letter sent to lone parents under the New Deal for Lone Parents is not a request for them to attend an interview[1]. Participation is voluntary and lone parents may choose to get in touch with a New Deal Personal Adviser when its suits their circumstances.

The report of the independent evaluation of the New Deal for Lone Parents, to be published next year, will include an examination of the reasons why some lone parents choose not to get in touch with a Personal Adviser when they receive an initial contact letter.

[1] Two of the eight prototype areas did experiment by sending out letters with a stated interview time and date; however, lone parents were advised that the programme was voluntary.

AGRICULTURE, FISHERIES AND FOOD

Vitamin and Mineral Supplements

Dr. Gibson: To ask the Minister of Agriculture, Fisheries and Food if he will announce the membership of the Ad Hoc Expert Advisory Group on Vitamin and Mineral Supplements. [61013]

Mr. Rooker: Details of the membership of the Expert Group on Vitamins and Minerals were given in my replies to my hon. Friend for Croydon, Central (Mr. Davies) on 12 November 1998, *Official Report*, column *314*, and my hon. Friend the Member for South Thanet (Dr. Ladyman) on 7 May 1998, *Official Report*, columns *456–57*. The only change from the information given in those replies is that Professor Woods has stood down from the Group.

Dr. Gibson: To ask the Minister of Agriculture, Fisheries and Food if he will publish the guidance which he gave to the Ad Hoc Advisory Group on its terms of reference on vitamin and mineral supplements [61014]

Mr. Rooker: The Terms of Reference of the Expert Group on Vitamins and Minerals are to:

- establish principles on which controls for ensuring the safety of vitamins and mineral supplements sold under food law can be based;
- review the levels of individual vitamins and minerals associated with adverse effects;
- recommend maximum levels of intakes of vitamins and minerals from supplements if appropriate;
- report to the Food Advisory Committee.

The group will also be able to advise on the levels of vitamins and minerals in fortified foods, if it considers this is appropriate.

Dr. Gibson: To ask the Minister of Agriculture, Fisheries and Food what steps he is taking to ensure that the new Ad Hoc Advisory Group on Vitamin and Mineral Supplements has access to expert opinion from Europe and the USA. [61015]

Mr. Rooker: The Expert Group on Vitamins and Minerals will consider all relevant scientific information on the safety of vitamins and minerals through comprehensive searches of world-wide databases of information and by making a public call for interested parties to submit relevant information.

Pesticides

Mr. Flight: To ask the Minister of Agriculture, Fisheries and Food what plans he has to require that the testing of fruit and vegetable products at supermarkets against excessive concentrations of pesticides takes place at depots. [61179]

Mr. Rooker: I have no plan to change current arrangements. Fruit and vegetables and other commodities are tested for a range of pesticide residues as part of the Working Party on Pesticide Residues annual surveillance programme. This programme is designed to sample foods typically available to the consumer from a range of retail outlets across the United Kingdom. Every effort is made by the Working Party to ensure the integrity of both its sampling and analysis techniques. In directing the sampling technique the importance of checking carefully the origin of the produce is stressed to the samplers. It would not be practical to ask them to sample produce direct from supermarket depots.

Quarantine

Mr. Vaz: To ask the Minister of Agriculture, Fisheries and Food what plans he has to reduce the quarantine period for pet animals from *(a)* North America and *(b)* Europe. [61478]

Mr. Rooker: The Advisory Group on Quarantine has recommended that quarantine should be replaced for cats and dogs leaving the UK and returning after visits to the European Union and European Economic area countries, and rabies free islands in the rest of the world; quarantine would also be replaced for cats and dogs entering the UK from such countries. Quarantine would be retained for cats and dogs coming into the UK from other countries. The Government are sympathetic to these recommendations.

The Advisory Group recommended that further consideration be given to the risks arising from allowing cats and dogs from North America into Great Britain without undergoing quarantine. This study is underway.

The Government will propose a specific way forward on the matters covered by the Advisory Group's report after the public consultation on the Advisory Group's recommendations ends on 31 December 1998.

Food Standards Agency

Mr. Luff: To ask the Minister of Agriculture, Fisheries and Food when he plans to publish the draft bill to establish the Food Standards Agency; and if he will make a statement. [61467]

Mr. Nick Brown *[holding answer 30 November 1998]:* I refer the hon. Member to the reply given to my hon. Friend the Member for Birmingham, Erdington (Mr. Corbett) on 25 November 1998, *Official Report*, column *10*.

I shall make a further announcement in the light of discussions with colleagues.

Digestive Enhancers

Mr. Walter: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the use of digestive enhancers in the poultry industry. [61890]

Mr. Rooker: There are currently five antimicrobial growth promoters permitted by EC legislation for use in poultry or chickens for fattening. They are bacitracin zinc, spiramycin, virginiamycin, flavophospholipol and avilamycin. The European Commission has proposed a ban on bacitracin zinc, spiramycin and virginiamycin with effect from 1 January 1999. The proposal is due to be considered in the Commission's Standing Committee on Animal Nutrition today.

CABINET OFFICE

Civil Servants (Media Relations)

Dr. Lynne Jones: To ask the Minister for the Cabinet Office if he will list the rules governing relations with the media which apply to *(a)* special advisers, *(b)* press officers and *(c)* Government Information Service officials. [61620]

Mr. Kilfoyle: Guidance on relations with the media for all civil servants—including members of the Government Information and Communication Service and Special Advisers—is set out in "Guidance on the Work of the Government Information Service". Copies are in the Library.

SCOTLAND

Rowett Research Institute

Mr. Alan Simpson: To ask the Secretary of State for Scotland if the Scottish Office has *(a)* had direct or indirect involvement in the personnel and recruitment policies of the Rowett Research Institute and *(b)* made representations or recommendations to the Institute in relation to the early retirement or dismissal of staff. [61721]

Mr. Macdonald: The Rowett Research Institute employs staff under terms and conditions laid down by the Joint Negotiating and Consultative Committee of the Biotechnology and Biological Sciences Research Council. The Scottish Office Agriculture, Environment and Fisheries Department, as the major funder of the Institute, has a limited involvement in the Institute's general policies on personnel, recruitment and retirement of staff, but that involvement does not extend to individual cases which are a matter for the Institute's Governing Body.

Private Finance Deals

Mr. Salmond: To ask the Secretary of State for Scotland what monitoring he undertakes of the sale price achieved for land and capital assets transferred to private companies as part of private finance deals and then sold on. [61702]

Mr. Dewar *[holding answer 1 December 1998]:* My Department does not maintain a central register of information on such disposals. It is the responsibility of the disposing public body to ensure that value for money is obtained. The National Audit Office as external auditor has authority to report to Parliament on the economy, efficiency and effectiveness of such contracts.

Non-domestic Rates

Mrs. McKenna: To ask the Secretary of State for Scotland what the non-domestic rate poundage for Scotland will be in 1999–2000. [62354]

Mr. Dewar: It will be 48.9p, the same as in England.

Trees

Mr. Baker: To ask the Secretary of State for Scotland what assessment he has made of the impact on indigenous species of trees of the import for planting of seeds of those same species. [61898]

Mr. Macdonald: Seed and planting stock of many indigenous tree species, including oak, have been imported into Britain from continental Europe for several centuries. Much of this material is well adapted to British conditions with the result that it can be very difficult to identify trees which are truly of native origin. Scientists are developing methods for identifying the origin of indigenous species. For example, analysis of the chemical constituents of native Scots pine has identified seven distinct areas of pine in Scotland.

Our advice to woodland owners reflects the importance of using suitable seed sources for planting trees in Britain, and particularly for regenerating and extending semi-natural woodlands. The UK Forestry Standard states that landowners should use suitable local provenances if they are available, and the Forestry Commission has published guidelines which emphasise the value of using natural regeneration or plants derived from local seed sources. The Commission is also drawing up a scheme to encourage foresters to grow planting stock from locally sourced indigenous species of trees and shrubs.

Lead Pipes

Mr. Gorrie: To ask the Secretary of State for Scotland what plans he has to reintroduce a local authority programme to enable more domestic water lead pipes to be replaced. [61536]

Mr. Macdonald: Under the repairs grant system local authorities may give assistance at up to 90 per cent. of the cost of works to home owners replacing lead plumbing. It is for authorities to set their own budgets for repairs grants and decide the priority they give to lead pipe replacement. As regards council housing, it is for local authorities as landlords to determine their priorities for works to their own stock.

Mr. Gorrie: To ask the Secretary of State for Scotland how much has been spent by each Scottish council in grants for the replacement of lead water pipes in domestic property in the most recent years for which figures are

available; and how much was spent by the previous district and islands councils for the last full year before these grants ceased to be ring-fenced. [61556]

Mr. Macdonald: This information is not held centrally.

Open Learning

Mr. Gorrie: To ask the Secretary of State for Scotland what plans he has to support open learning courses as an alternative to existing training schemes. [61540]

Mr. Dewar: The Opportunity Scotland consultation paper, published in September set out the Government's commitment to the promotion of learning in all forms, throughout life, and detailed a number of initiatives which will be used for that purpose. Training courses are a particular form of learning and are complementary rather than alternative to any other forms.

Examinations

Mr. Gorrie: To ask the Secretary of State for Scotland what plans he has to persuade professional bodies and the Scottish Higher Education Funding Council to co-operate in creating a single set of exams in each field which will satisfy both the professional body's and the universities' requirements. [61542]

Mrs. Liddell: Many professional bodies already recognise university courses for the purposes of entry to the professions and the whole are of higher education qualifications has recently been the subject of many recommendations by the Dearing and Garrick Committees. These include recommendations on the development of programme specifications and an integrated credit and qualification framework. The implementation of these recommendations should improve articulation between professional qualifications and degrees.

Water Charging

Mr. Gorrie: To ask the Secretary of State for Scotland what was the total value of the water rates relief allowed to the various categories of properties entitled to it in the latest year for which figures are available. [61546]

Mr. Macdonald: The exact information requested is not held centrally and could be collected only at disproportionate cost. However, the water authorities estimate that the total value of reliefs given on water and sewerage charges in 1997–98 in Scotland was some £14 million.

Mr. Gorrie: To ask the Secretary of State for Scotland if he will provide assistance to the water boards to enable them to change from a system of charges to commercial properties based on rateable value to one based on volume. [61548]

Mr. Macdonald: The water authorities are responsible for developing appropriate charging arrangements. Each of the authorities has recently completed consulting its non-domestic customers about proposals to alter the basis of charges to reflect more closely the level of services actually used rather than using rateable values as a proxy for use. Following this exercise the water authorities concluded that there is overall support in favour of a change to the charging basis. Each is now discussing the detailed implementation of changes for their area with Scottish Water and Sewerage Customers Council. Domestic properties are unaffected by this proposal.

Overall, the new arrangements will not alter the total income raised from the non-domestic sector, though its distribution amongst customers will be affected. The water authorities propose to phase in the changeover to ensure that individual chargepayers have sufficient time to adjust to the new arrangements.

Given that there will be no reduction in income to the water authorities and that the impact on chargepayers will be phased in, there is no case for giving financial assistance to the water authorities.

Domestic Sewerage

Mr. Gorrie: To ask the Secretary of State for Scotland if he will extend the domestic sewerage transitional relief beyond the three years originally specified. [61557]

Mr. Macdonald: The Government do not intend to extend domestic sewerage relief grant beyond the three year period initially envisaged.

Care in the Community

Mr. Gorrie: To ask the Secretary of State for Scotland (1) what plans he has for an early review of Care in the Community funding levels; [61537]

(2) if he will ensure that funding levels for Care in the Community meet the economic charge per room which housing associations and other providers have to charge to meet the registration standards set for staffing, food and buildings and their loan charges. [61538]

Mr. Galbraith: Following our Comprehensive Spending Review on 14 July we announced substantial additional resources for Scottish Councils over the next 3 years. These include significant extra provision for community care. However, it is for each council to decide how to allocate its funds.

Mr. Gorrie: To ask the Secretary of State for Scotland what has been the expenditure on Care in the Community in each council area in *(a)* 1996–97 and *(b)* 1997–98; and what is budgeted for 1998–99. [61539]

Mr. Galbraith: Net council expenditure on Social Work excluding that implicitly on services for children is set out in the table.

£000

	Provisional Outturn		
Councils	*1996–97*	*1997–98*	*1998–99*
Aberdeen, City	37,384	38,029	39,687
Aberdeenshire	32,395	32,010	33,419
Angus	17,065	18,199	19,409
Argyll and Bute	13,653	14,627	14,954
Clackmannanshire	6,651	6,972	7,656
Dumfries and Galloway	22,037	22,642	23,346
Dundee	28,813	24,245	26,208
East Ayrshire	18,403	18,826	20,090
East Dunbartonshire	11,278	11,946	13,337
East Lothian	14,184	15,223	14,809
East Renfrewshire	8,807	10,088	10,713
Edinburgh, City	68,334	70,537	72,966
Eilean Siar	8,967	8,546	8,792
Falkirk	20,218	20,914	21,359
Fife	57,800	59,578	61,918

£000

Councils	Provisional Outturn 1996–97	1997–98	1998–99
Glasgow City	151,551	149,831	149,478
Highland	32,053	32,187	34,031
Inverclyde	15,587	14,271	15,691
Midlothian	11,411	11,889	12,622
Moray	12,343	12,795	13,564
North Ayrshire	19,374	19,758	20,128
North Lanarkshire	46,692	50,204	52,127
Orkney	4,201	4,426	4,570
Perthshire and Kinross	16,971	17,917	18,548
Renfrewshire	23,242	25,414	26,956
Scottish Borders	17,698	17,460	18,526
Shetland	6,079	6,191	6,382
South Ayrshire	16,884	17,843	19,768
South Lanarkshire	38,575	45,826	42,276
Stirling	12,048	11,333	11,756
West Dunbartonshire	17,609	18,561	19,465
West Lothian	20,287	21,637	21,804
Scotland	828,594	849,925	876,355

All figures are net of loan and leasing charges.

Employment Creation

Mr. Gorrie: To ask the Secretary of State for Scotland what plans he has to assist councils, universities, colleges and development and training agencies in the North East of Scotland to invest in employment creation in order to offset the future decline in the North Sea oil and gas industry. [61541]

Mr. Dewar: Economic development assistance to the area is channelled through Grampian Enterprise and the local authorities. Grampian Enterprise and the local councils have been working with the further and higher education institutions in the area to promote the diversification of the local economy to counteract job losses in the oil and gas industry.

Learning Difficulties

Mr. Gorrie: To ask the Secretary of State for Scotland if he will require councils to provide in-service training to train teachers to identify children with learning difficulties as quickly as possible and to adopt systems which achieve an early follow up in respect of each child identified. [61545]

Mrs. Liddell: The provision of in-service training for teachers is a matter for authorities to determine in the light of local needs and circumstances. We have no plans to change this arrangement.

The Government support authorities provision for in-service training of staff working with children with special educational needs through specific grant. From April 1999, Government resources available for special educational needs in-service staff development and training will more than double to £5 million per year.

Sewage Discharges

Mr. Gorrie: To ask the Secretary of State for Scotland what assessment he has made of the impact of the current system of licensing private and industrial sewage discharges by the Scottish Environmental Protection Agency on the Government's efforts to meet its pollution targets. [61547]

Mr. Macdonald: One of the targets which we set for the Scottish Environment Protection Agency was to improve the level of consent compliance for sewage and industrial discharges to 80 per cent. by 2001–02. A copy of the Agency's Annual Report 1997–98 has been placed in the Library of the Houses of Parliament. As mentioned in their report, the Agency achieved that level of compliance in 1997–98, four years ahead of target. The Agency are to be congratulated on this achievement. However, it is clear that a minority of SEPA's other targets were not met. This is certainly disappointing and we have asked the Agency how they intend to improve performance in these areas.

Millennium Experience

Mr. Swayne: To ask the Secretary of State for Scotland what discussion he has had with the Secretary of State for Trade and Industry regarding the Scottish contribution to the Millennium Experience. [62256]

Mr. Galbraith: Scottish Office officials are in close contact with officials of the New Millennium Experience Company in Scotland on the development of the Millennium Festival and the Millennium Experience in Scotland, and on the Scottish contribution to the Millennium Experience nationally.

Pesticide Tax

Mr. Welsh: To ask the Secretary of State for Scotland what representations he has received and what consultation he has undertaken regarding the imposition of a pesticide tax; what assessment he has made of the effects and levels of pesticide taxes in other European Union states; and what plans he has to introduce a pesticide tax. [61892]

Mr. Macdonald: In November 1997, the Government issued a consultation paper entitled 'Economic Instruments for Water Pollution'. One of the options on which the consultation paper sought views was a possible tax or charge on pesticides.

Research is currently underway into whether a tax or charge on pesticides would be an effective way to reduce pollution. There is evidence to suggest that pesticides have harmful effects on wildlife, terrestrial and aquatic ecosystems, and on human health. The Government are committed to minimising their use. The current research study is focusing on various design options for a tax or charge.

The Government will evaluate the findings of the research, and the results of other on-going work, in considering how best to proceed.

Decisions on the possible introduction of such a tax would be a matter for my right hon. Friend the Chancellor of the Exchequer.

FOREIGN AND COMMONWEALTH AFFAIRS

India

Mr. Singh: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Government of India about sectarian atrocities committed against *(a)* Muslims, *(b)* Christians and *(c)* members of other minority communities. [61487]

Mr. Fatchett: We have made clear to the Indian authorities our concern over attacks on members of minority communities. During my meeting with the Indian Home Minister on 12 November I urged that steps be taken to restore the confidence of religious minorities in India.

British Consulate, Yemen

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has for the future of the British Consulate in Aden, Yemen; and if he will make a statement. [61476]

Mr. Fatchett: As my right hon. Friend the Foreign Secretary stated in the House on 27 November 1998, *Official Report*, column 443, we have recently conducted a review of the network of British representation overseas and there will be no change in the present representation in Aden. However, we will continue to keep the network under review.

Comprehensive Spending Review

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the implications of the Government's Comprehensive Spending Review for the United Kingdom's diplomatic presence abroad. [61477]

Mr. Fatchett: My right hon. Friend the Foreign Secretary described the outcome of the Comprehensive Spending Review (CSR) in his speech during the foreign affairs debate on 27 November 1998, *Official Report*, column 443. In essence, the uplift in the FCO budget will allow a significant programme of reform to modernise FCO operations world-wide. The aim is to adapt the network of overseas posts in response to changing priorities and to deploy staff and resources so as best to meet future objectives. 200 more members of the Diplomatic Service will be appointed; and 375 more staff in total.

The distribution of staff will reflect foreign policy priorities, particularly in commercial work. A further eight new overseas posts have been approved; commercial representation in China, Japan, India and Sweden will be strengthened; five Posts will close where the resources could be better deployed elsewhere. Britain's representation in the Caspian region will increase by 50 per cent., and be augmented significantly in member states of the EU and in countries aspiring to join the EU and NATO.

East Timor

Ann Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the recent military operations in the sub-district of Alas in East Timor. [61791]

Mr. Fatchett: We are concerned at reports of recent killings in Alas in East Timor. We are working closely with EU partners and others to establish the accuracy of the reports.

Ottawa Convention

Fiona Mactaggart: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he *(a)* has had and *(b)* plans to have with the Government of the United States of America regarding the Ottawa Convention. [61828]

Mr. Tony Lloyd: We regularly press the United States to sign the Ottawa Convention. I welcomed the American announcement in May that they would sign the Convention. We hope they will make every effort to do so soon.

Bulgaria

Mr. Gordon Prentice: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has received from his Bulgarian counterpart concerning the visa requirement for Bulgarian nationals wishing to visit the United Kingdom; and if he will make a statement. [61818]

Mr. Fatchett: The Bulgarian authorities have made regular representations to us about their inclusion on the EU Common Visa List, CVL. We have noted their concerns and explained that decision on the CVL are taken collectively by EU Member States acting on proposals made by the Commission.

Alcohol

Mr. Salmond: To ask the Secretary of State for Foreign and Commonwealth Affairs how much was spent by his Department on the purchase of alcoholic drink in the United Kingdom in 1996–97. [61697]

Mr. Fatchett *[holding answer 1 December 1998]:* The information requested is not readily available.

Mordechai Vanunu

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the occasions on which the case of Mordechai Vanunu has been discussed with the Israeli Government. [62055]

Mr. Fatchett: We have raised Mr. Vanunu's case with the Israelis on many occasions. I did so during my last visit to Israel in January.

General Pinochet

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the meetings held with *(a)* General Pinochet and *(b)* his staff by the British Embassy in Santiago, Chile, in each of the past three years. [62057]

Mr. Tony Lloyd: In respect of meetings with Senator Pinochet while he was Commander-in-Chief of the Army, I refer my hon. Friend to the answer I gave him on 12 January 1998, *Official Report*, column *23*. In the course of its normal work, the British Embassy in Santiago has had regular contact with the Chilean military, both before and

since the Senator retired from the Army in March this year. Since the reply given in January, Embassy staff have had no meetings with the Senator or his private staff.

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what official facilities were afforded to General Pinochet during his current visit to Britain. [62059]

Mr. Tony Lloyd: A VIP suite at Heathrow Airport was made available to General Pinochet on his arrival.

Diplomatic Posts

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his oral statement of 27 November 1998, *Official Report*, column 443, if he will list the five diplomatic posts he is closing. [62060]

Mr. Fatchett: The five diplomatic posts to be closed are: Chaing Mai (Thailand); Cleveland (USA); Kuching (Malaysia); Pusan (S. Korea); and Seville (Spain).

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs on which date the consulate in Lyons will be closed. [62063]

Mr. Fatchett: The Consulate in Lyons will not be closing.

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the diplomatic posts that he has expanded since 1 May 1997, indicating the *(a)* number and *(b)* grades of the diplomats in post (i) on 1 May 1997 and (ii) currently. [62061]

Mr. Fatchett: The posts which have seen a net increase in jobs between 1 May 1997 and 30 November 1998 are listed.

Post	*1997*	*1998*	*Additions to the UK establishment*
Abuja	7.00	10.00	DS9, S2, S0
Ashgabat	2.00	3.00	DS9
Baku	3.00	4.00	DS9
Bogota	11.00	12.00	DS7M
Brasilia	12.00	13.00	DS9
Brussels UKDEL NATO	36.00	38.00	SEO, DS7M
Casablanca	4.00	5.00	DS9
Dusseldorf	10.00	11.00	DS9
Ekaterinburg	1.00	2.00	DS9
Geneva (UKDEL)	5.50	6.50	DS5
Guangzhou	3.00	5.00	DS7D, DS9
Jakarta	21.00	22.00	DS9
Jerusalem	6.00	7.00	DS7M
Karachi	13.00	16.00	DS9, EA, HPTO
Kiev	13.00	14.00	DS7M
Kinshasa	3.00	5.00	DS9, S2
Ljubljana	3.00	4.00	EA
Madras	5.00	8.00	2 x DS7M, DS9
Minsk	3.00	4.00	EA
Paris (UKDEL OECD)	6.00	7.00	EA
Peking	47.00	48.00	DS7M
Quito	5.00	6.00	DS9
Riga	3.00	5.00	DS9, EA
San Francisco	2.00	3.00	DS7M
Shanghai	6.00	7.00	DS9
St. Petersburg	5.00	6.00	EA
Taipei	6.00	7.00	DS7M
Tallinn	3.00	4.00	DS9
Tirana	3.00	4.00	DS7M
Tunis	11.00	12.00	DS7M
Yerevan	2.00	3.00	DS9

Between those two dates there was an overall reduction in our UK based manpower, so a greater number of slots were deleted elsewhere to provide these additions. It would be disproportionately expensive to list all of the grades of all the diplomats in post between these times.

Foreign Office Properties

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list all *(a)* overseas and *(b)* UK properties (i) owned by his Department and (ii) leased. [62064]

Mr. Fatchett: The Foreign and Commonwealth Office occupies the following properties in the United Kingdom.

Owned	*Leased*
Old Admiralty Building, London SW1	1 Palace Street, London SW1
Old Public Offices, King Charles Street, London SW1	Cromwell House, London SW1
22–24 Whitehall, London SW1	4 Matthew Parker Street, London SW1
Hanslope Park, Buckinghamshire	Apollo House, Croydon
Creslow, Buckinghamshire (Wireless Station)	8 Cleveland Row, London SW1
Gawcott, Buckinghamshire (Wireless Station)	1 Carlton Gardens, London SW1
Poundon, Buckinghamshire (Wireless Station)	20 Victoria Street, London SW1

To provide the information requested on overseas properties would at present involve a disproportionate expenditure of public funds. However, the Department has recently acquired an electronic property data base which will soon be operational. I shall write to the hon. Member shortly with the information requested and shall place copies of the letter int he Libraries of the House.

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his oral statement of 27 November 1998, *Official Report*, column 443, if he will list his Department's *(a)* owned and *(b)* leased properties that are being sold. [62062]

Mr. Fatchett: All FCO properties are being reviewed against a set of Key Performance Indicators designed to assess their fitness for purpose, the returns they offer on capital and the costs of alternative provision. Properties proposed for sale include the Ambassador's house in Dublin, the Embassy in Bonn and the former Consulate in Casablanca.

Iran

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs what representation he has made to Iran concerning *(a)* the six Baha'is who are under sentence of death, *(b)* the persecution of members of the Baha'i faith and *(c)* the recent execution of Mr. Ruhu'llah Rawhani. [62065]

Mr. Fatchett: We have on many occasions raised with the Iranians our desire for an improvement in their human rights record, not least with regard to the plight of the Baha'i community. An EU Troika of Heads of Mission in Tehran (UK, Austrian Presidency, and Germany) called on the Iranian Ministry of Foreign Affairs (MFA) on

4 October to press the Iranian Government on the cases of Mr. Dhabihi-Moqaddam and Mr. Najafbadi, two Iranian Baha'is who had death sentences confirmed at the end of September. They were informed that both men had been convicted for acting against national security, but that the sentences were subject to review by the Supreme Court. Even if the Supreme Court upheld the sentences, that would not necessarily be final. Representatives of a number of other countries have also made similar representations to the Iranians.

We are aware of further arrests of Baha'is in Iran, and continue to look into these. We are determined to impress upon the Iranians the seriousness with which their behaviour is viewed by all EU countries. The plight of the Baha'is formed a prominent part of the EU-sponsored UN human rights resolution on Iran, adopted on 18 November.

We were very disturbed by the execution of Mr. Rawhani in July. The FCO Regional Director for the Middle East, summoned the Iranian Chargé on 28 July to protest. I myself saw Barney Leith, Secretary-General for the National Spiritual Assembly of the Baha'is in the UK on 5 August to express the Government's condolences about the execution of Mr. Rawhani and to discuss what more we could do to maintain international pressure on the Iranian Government to end the discrimination against the Baha'i community. Later that same day I tackled the Iranian Chargé on Mr. Rawhani's execution. I also warned him that we would be strong in our condemnation if there were further executions. The EU also reacted, including by a formal demarche to the Iranian Ministry of Foreign Affairs in Tehran on 5 August. Some EU partners followed our example by summoning local Iranian diplomatic representatives to protest.

Written Answers to Questions

Thursday 3 December 1998

LORD CHANCELLOR'S DEPARTMENT

Rural Areas (Access to Justice)

Mr. Wigley: To ask the Minister of State, Lord Chancellor's Department what steps the Welsh Office is taking to increase access to justice for people living in rural areas in Wales. [61473]

Mr. Hoon: The Lord Chancellor's Department is proposing to create a Community Legal Service, which will improve access to good quality legal and advice services for those with the greatest need. This will be achieved by greater local planning of legal and advice services and co-ordination of funding through Community Legal Service Partnerships between local authorities, the Legal Aid Board and other significant funders. This will be particularly important to rural communities, as the inconsistent geographic coverage of legal and advice services impacts disproportionately in rural areas.

The Lord Chancellor's Department also wishes to see the facilities at some magistrates' courts improved where these may be substandard, but—as section 56 of the Justices of the Peace Act 1997 sets out—decisions about the location and number of courthouses and offices are the responsibility of the relevant magistrates' courts committees in consultation with their paying authorities. The Lord Chancellor's Department will become involved only when a paying authority appeals against an MCC's determination.

Mr. Wigley: To ask the Minister of State, Lord Chancellor's Department if he will take steps to halt the closure of *(a)* magistrates' and *(b)* county council courts in the rural areas of Wales. [61474]

Mr. Hoon: Magistrates' courts are locally managed by magistrates' courts committees under the provisions of the Justices of the Peace Act 1997. Decisions concerning the location and number of magistrates' courts in their area are for the relevant magistrates' courts committee to determine. A local authority that contributes financially may appeal to the Lord Chancellor against a proposed closure. The procedure for such appeals is set out in section 56 of the Justices of the Peace Act 1997. In the absence of an appeal, however, the Lord Chancellor plays no part in the process.

The Court Service is responsible for all civil and the higher criminal courts and is required constantly to monitor and review the viability of its court network. Factors taken into consideration include the role played by the court in providing a service to the public in that area, and the effect and implications of providing an alternative for its current users. The criteria for considering the case for and against closure as set out in the Departmental Accommodation Plan are: the condition of the existing accommodation; the availability of facilities; the frequency of judicial visits and waiting times; the facilities provided by the alternative court; and the capacity of that court to cater for the additional work; and distances and public transport considerations. In general, the Court service must look to improve services to an area overall.

DEFENCE

Newsletters

Mr. Matthew Taylor: To ask the Secretary of State for Defence what are the current security classifications of the newsletters produced for the staff of *(a)* the Pay and Personnel Agency and *(b)* the Duke of York's Royal Military School; how often each newsletter is produced; and when each newsletter was first produced. [62043]

Mr. Spellar: This is a matter for the Chief Executives of the agencies concerned. I have asked the Chief Executives to write to the hon. Member.

Letter from G. H. Wilson to Mr. Matthew Taylor, dated 3 December 1998:

I am replying to your Question to the Secretary of State for Defence about newsletters to staff as this matter falls within my area of responsibility as Chief Executive of the Duke of York's Royal Military School.

The current security classification of newsletters produced for the staff is "unclassified".

Newsletters were first produced for staff, parents and pupils in December 1992 and are produced once per school term. In addition Staff Bulletins have been in production at the school for many decades and these are produced once a week.

Letter from Mike Rowe to Mr. Matthew Taylor, dated 3 December 1998:

I am replying to your Question to the Secretary of State for Defence about newsletters as this falls within my area of responsibility as Chief Executive of the Pay & Personnel Agency.

The Agency produces an unclassified newsletter, the "NewsPayPer". It was first produced in July 1996 and there have been 9 quarterly issues since.

Research Papers

Mr. Matthew Taylor: To ask the Secretary of State for Defence how many series of research papers his Department produces; and what are the names of each of these series of research papers. [62041]

Mr. Spellar: A very large number of research papers are produced by the staff of Ministry of Defence research establishments and most such papers are in the public domain and not classified. Publication of research papers is the individual responsibility of the research establishments and sectors within them. Details of series of research papers are not held centrally, and could be provided only at disproportionate cost.

CULTURE, MEDIA AND SPORT

Protection of Wrecks Act 1973

Mr. Kidney: To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the procedures for enforcement of the Protection of Wrecks Act 1973, indicating the steps salvers should take to initiate enforcement action. [60864]

Mr. Alan Howarth: Responsibility for policing or prosecuting offences under the Protection of Wrecks Act 1973 lies with the relevant police force and the Crown Prosecution Service. My Department is happy to assist the police in any matters relating to the 1973 Act, whenever necessary. Steps are being taken to remind relevant police forces of their responsibilities under the 1973 Act, and of the designated wreck sites within their area of responsibility.

Any individual who suspects that illegal diving may be taking place on a designated wreck site should, in the first instance, contact their local police constabulary whose responsibility it is to take the necessary steps to investigate the allegations. My Department would also wish to be kept informed of such incidents and will provide advice as necessary.

Mr. Kidney: To ask the Secretary of State for Culture, Media and Sport if he will make a statement about the actions of and communications between his Department and the Devon and Cornwall police in the week commencing 5 October 1998, regarding the designated site at Salcombe and the complaint made to them under the Protection of Wrecks Act 1973. [60865]

Mr. Alan Howarth: My officials were in telephone contact with the Devon and Cornwall Police three times on Wednesday 7 October to discuss the situation on the Salcombe Cannon designated wreck site. As a result of the telephone conversation, a letter was faxed to the Police at 3.15pm on Wednesday 7 October, setting out the legal provisions of the Protection of Wrecks Act 1973. A copy of the licence for the site, detailing the individuals authorised to dive on it, was also faxed to the Police, at their request, on the afternoon of Wednesday 7 October. A further telephone call was made to the Police on Friday 9 October to obtain an update on the situation.

Royal Parks Agency

Mr. Ottaway: To ask the Secretary of State for Culture, Media and Sport (1) if he will provide a breakdown of the running costs of the Royal Parks Agency *(a)* by area of responsibility and *(b)* by Royal Park in each year since 1993; [60973]

(2) how many people were employed by the Royal Parks Agency to maintain *(a)* Hyde Park and *(b)* Regent's Park in each year since 1993; [60892]

(3) how many people employed by the Royal Parks Agency in each year since 1993 were paid *(a)* £0 to £10,000, *(b)* £10,000 to £20,000, *(c)* £20,000 to £30,000, *(d)* £30,000 to £40,000, *(e)* £40,000 to £50,000 and *(f)* £50,000 and above. [60891]

Mr. Alan Howarth *[holding answer 27 November 1998]:* Responsibility for the subject of these questions has been delegated to the Royal Parks Agency under its Chief Executive, Mr. David Welch. I have asked him to arrange for a reply to be given.

Letter from Viviane Robertson to Mr. Richard Ottaway, dated 3 December 1998:

In the absence of the Chief Executive, Mr. David Welch, the Secretary of State for Culture Media and Sport has asked me to reply to your parliamentary questions concerning staffing levels and costs in the Royal Parks.

Breakdown of the running costs of the Royal parks Agency by area of responsibility and by Royal Park in each year since 1993

£000

	1993–94	1994–95	1995–96	1996–97	1997–98
Hyde Park	325	363	379	399	313
St. James's Park	136	155	171	255	236
Kensington Gardens	122	111	114	134	110
Regent's Park	282	294	342	313	169
Greenwich Park	197	201	190	157	160
Richmond Park	290	363	322	327	335
Bushy Park	142	122	126	128	117
Royal parks Constabulary	5,623	5,443	5,420	5,182	5,094
Headquarters	1,308	1,310	1,428	1,730	1,500

Note:
These figures represent net running costs ie: less receipts. A further breakdown of Headquarters costs is not available

To ask the Secretary of State for Culture Media and Sport, how many people were employed by the Royal parks Agency to maintain Hyde park and Regent's Park in each year since 1993.

From 1993–94 to 1996–97 the Agency employed 12 non-uniformed staff to maintain Hyde park and 8 staff to maintain Regent's park. Since 1997–98 these numbers have been reduced to 8 and 6 respectively. I regret we are unable to confirm the number of police officers in these two parks, as we do not keep historical records of numbers of police officers on a park by park basis.

To ask the Secretary of State of State for Culture Media and Sport, how many people employed by the Royal Parks Agency in each year since 1993 were paid in (a) £0 to £10,000, (b) 10,000 to £20,000, (c) £20,00 to £30,000, (d) £30,000 to £40,000, (e) £40,00 to £50,000 and (f) £50,000 and above.

Number of Employees in each band by Financial Year

Salary band £	1993–94	1994–95	1995–96	1996–97	1997–98
30,000–39,999	n/a	7	14	9	21
40,000–49,000	n/a	3	2	2	2
50,000—above	n/a	0	1	1	1

We are unable to provide a breakdown of the numbers of staff paid in bands below £30,000.

English National Stadium

Mr. Gardiner: To ask the Secretary of State for Culture, Media and Sport (1) if he will ensure that the new English National Stadium will be held in trust for the nation in perpetuity by the English National Stadium Trust; [61435]

(2) if the FA and the English National Stadium Developments Company will continue to be bound by the contractual terms of the grant from the English Sports Council following repayments of that grant; [61433]

(3) when the development proposal for the new National Stadium will be submitted to the appropriate planning authority; [61432]

(4) what redress will be available to the English National Stadium Trust in the event that the FA and the English National Stadium Development Company break the terms of the grant from the English Sports Council; [61434]

(5) if he will make a statement on his policy regarding attempts to sell a share of the freehold interests in the new English National Stadium; [61436]

(6) when he expects the sale of the Wembley Stadium site to the English National Stadium Trust's Development Company to be concluded; [61431]

(7) what plans he has to grant a long lease of the new National Stadium to the English National Stadium Trust. [61437]

Mr. Banks: The planning application for the National Stadium is a matter for the English National Stadium Development Company (ENSDC) in consultation with the London Borough of Brent, as planning authority. The present anticipated timetable for submitting a planning application is Spring/Summer 1999, although ENSDC are known to be reviewing the position. The English Sports Council (ESC) included milestone dates on planning issues as conditions of the Lottery award to ensure the project moves ahead on a reasonable timetable.

In the event of a breach of the conditions of the Lottery award, the ESC has the right to seek repayment. It is a condition of the Lottery award that the freehold interest cannot be sold. The site acquisition is still under discussion between the applicants and Wembley Plc. The site purchase arrangements are subject to strict Stock Exchange rules on disclosure. Following the acquisition, it is intended that the English National Stadium Trust will hold a 999 year lease for the stadium site. The principal lottery award conditions will apply for 50 years, even if the award is repaid, to ensure that the stadium meets its objectives throughout this period.

As these are detailed matters relating to a Lottery award, I have also written to my hon. Friend proposing he receives a briefing from the ESC on the National Stadium project.

TREASURY

Business Taxation

Mr. Whittingdale: To ask the Chancellor of the Exchequer what measures have been proposed by the European Commission to reduce harmful tax competition; and if he will make a statement. [61883]

Dawn Primarolo *[holding answer 1 December 1998]:* On 1 December 1997, based on a Commission proposal the ECOFIN Council acknowledged the positive effects of fair competition and the need for a Code of Conduct for business taxation designed to list harmful tax measures.

Mr. Greenway: To ask the Chancellor of the Exchequer if he will make a statement about the effect of EU tax harmonisation proposals on British business. [61308]

Dawn Primarolo: Decisions in this area are subject to unanimity. We have made it clear that we will not agree to any course of action which is not in Britain's national economic interest.

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if it is his policy to seek to end harmful tax competition within the European Union; what his policy is on determining what types of tax competition are harmful; and if he will make a statement. [61065]

Dawn Primarolo *[holding answer 30 November 1998]:* The Government are in favour of effective international action to combat harmful tax practices. The Government support the work of the Code of Conduct Group which under my Chairmanship has been reviewing measures which may be considered harmful under the criteria set out in the Code of Conduct on business taxation.

Tax Policy

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if it is his policy to switch the tax burden away from taxes on labour to taxes on capital; and if he will make a statement. [61069]

Dawn Primarolo *[holding answer 30 November 1998]:* The Government's tax policy objectives are set out in paragraphs 1.66 to 1.69 of the July 1997 Financial Statement and Budget Report.

Anglo-German Working Party

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if he will make a statement on his plans for an Anglo-German working party on job creation and economic reform. [61062]

Ms Hewitt *[holding answer 30 November 1998]:* When the Chancellor met the new German Finance Minister, Herr Lafontaine, on Thursday 19 November, they agreed that we should look together at what more we can do to promote job creation and economic reform in our economies. Both Governments will work closely, including through a joint working group, to examine the policies we are pursuing and how we can learn from each other.

Energy Conservation

Mr. Alan Simpson: To ask the Chancellor of the Exchequer what approaches he has made to the European Commission since the spring Budget regarding VAT in the United Kingdom on energy conservation materials and supplies. [62038]

Ms Hewitt: Under the UK Presidency Environment Ministers of Member States reached agreement that the Council should invite the European Commission to consider proposals for differentiation in tax levels for energy saving products. The Financial Secretary has also written directly to Commissioner Monti putting forward the case for change.

Sterling

Mr. Mitchell: To ask the Chancellor of the Exchequer in how many weeks the pound has been *(a)* within, *(b)* above and *(c)* below the exchange rate mechanism target since 1 January 1997. [62300]

Ms Hewitt: Sterling is not a member of the ERM and the Government have no intention of joining. The Government do not have a target for sterling but aim for a stable and competitive exchange rate over the medium term, consistent with the objective of price stability.

Developing Countries (Debt)

Mr. Reed: To ask the Chancellor of the Exchequer what restrictions are placed upon the Government's ability to act independently of other creditors to reduce debt owed by developing countries by (i) the European Union,

(ii) the Organisation for Economic Co-operation and Development and (iii) other international organisations or agreements. [61491]

Ms Hewitt: The UK is not restricted in acting unilaterally to reduce debt owed by developing countries by either the EU, the OECD or any other international agreements.

However, lasting solutions to the problems of heavily indebted poor countries require a multilateral effort. Since the UK holds only a part of the total debt owed by these countries, it cannot by itself reduce their debts to sustainable levels. That is why the UK has been making such efforts in international forums to ensure that all creditors co-operate in giving poor countries a permanent solution to their debt burdens.

Mr. Reed: To ask the Chancellor of the Exchequer what plans he has to cancel the debt owed to the United Kingdom Government by Nicaragua and Honduras; and if he will make a statement on discussions with other creditors on assistance to Nicaragua and Honduras. [61496]

Ms Hewitt: The UK wrote off all of its loans to Honduras and Nicaragua long before Hurricane Mitch struck. Following the devastation caused to these countries last month, the Chancellor decided that Nicaragua and Honduras need make no debt service payments to ECGD over the next two years. The issue of a moratorium is to be discussed at the Paris Club of official bilateral creditors next week.

The Chancellor wrote to the International Financial Institutions—the IMF, World Bank and Inter-American Development Bank—calling on them to look at possible mechanisms for lessening the debt service obligations of Honduras and Nicaragua, and has taken these proposals forward with his G7 and EU colleagues.

Mr. Reed: To ask the Chancellor of the Exchequer if he will urge the IMF to sell gold reserves in order to pay for the immediate suspension of debt service payments to the international institutions by Nicaragua and Honduras. [61494]

Ms Hewitt: The UK Government support, and have been pressing for, the sale of a proportion of the IMF gold reserves to provide financing for the HIPC initiative. The UK will continue to press for gold sales in the IMF Executive Board. Gold sales require the approval of the Executive Board by a majority of 85 per cent., and we are therefore working closely with other members at the IMF to secure Board approval.

Petroleum Products (Cross-border Smuggling)

Mr. Donaldson: To ask the Chancellor of the Exchequer what estimate he has made of the impact on the rate of economic growth in Northern Ireland of the smuggling of petroleum products from Irish Republic; and if he will make a statement. [61924]

Ms Hewitt: HM Customs and Excise has no estimates for the impact on the rate of economic growth in Northern Ireland of such activity.

Petroleum Products (Duty)

Mr. Donaldson: To ask the Chancellor of the Exchequer on how many litres of *(a)* road gasoline and *(b)* road diesel fuel duty was paid in each quarter of (i) 1996, (ii) 1997 and (iii) 1998 to date. [61922]

Ms Hewitt: Deliveries of Petrol and Diesel of all types:

litres

Quarter to:	*Petrol*	*Diesel*
March 1996	6,539,545,262	3,722,415,706
June 1996	7,597,407,232	4,238,895,402
September 1996	7,607,522,225	4,226,809,708
December 1996	7,813,186,668	4,755,757,113
March 1997	6,454,953,806	3,961,713,098
June 1997	7,710,831,141	4,464,754,208
September 1997	7,018,707,158	4,204,496,511
December 1997	7,390,567,838	4,655,813,319
March 1998	7,430,834,826	4,588,144,139
June 1998	6,087,221.415	3,752,885,748
September 1998	7,322,234,298	4,440,737,252
To end October 1998	2,396,833,797	1,499,918,984

These figures are for the whole of the UK. Customs does not keep separate figures for any regions.

Construction Industry

Mr. Levitt: To ask the Chancellor of the Exchequer what assessment he has made of the effect which the 11-week limit to casual employment has had on small employers in the construction industry. [61911]

Mr. Ian McCartney: I have been asked to reply.

I assume that my hon. Friend refers to the 13-week qualifying period for the entitlement to paid annual leave under the Working Time regulations. There was no specific assessment on applying this entitlement to casual workers, and specifically the ramifications for small employers in the construction industry. An assessment for the whole of British industry was made, a copy of which is held in the Library.

INTERNATIONAL DEVELOPMENT

Hinduja Group

Mr. Chope: To ask the Secretary of State for International Development what grant applications her Department has received from the Hinduja group of companies since 1 May 1997; and what grants have been paid. [62241]

Clare Short: The Department for International Development has received no grant applications from the group and has paid no grants to it.

Hurricane Mitch

Mr. Derek Twigg: To ask the Secretary of State for International Development what her plans are for further assistance to Central America in the aftermath of Hurricane Mitch. [62674]

Clare Short: An assessment mission from DFID visited Honduras and Nicaragua on 23–28 November. They had an extensive programme of field visits to disaster affected areas and discussions with Governments,

UN agencies, the Inter-American Development Bank and World Bank, Red Cross and NGOs, EC and other donors. Our findings and conclusions are as follows:

Situation Assessment

Consolidated estimates of damage confirm that Honduras is, by far, the worst affected country. Some 20,000 are dead and missing, 285,000 displaced and overall about 1.4 million (out of a total population of 6.1 million) affected. The physical devastation is widespread, affecting 14 out of 18 administrative departments: 60 per cent. of roads and bridges, 50 per cent. of agricultural production (including a fifth of the economically important coffee and nearly all the banana export crops), 80 per cent. of water distribution networks, 70 per cent. of hospitals, 12 per cent. of health centres, and 25 per cent. of schools are destroyed or severely damaged. The effects of the disaster, still starkly visible a month later, are reflected most obviously in disrupted access and basic utilities. Groups of destitute families are living under ramshackle and insanitary conditions wherever they can find shelter.

In Nicaragua damage to infrastructure has been more moderate though still significant in five departments (Pacific coast and the north). Overall, some 3,000 are dead and missing, and 370,000 (out of a total population of 4.5 million) severely affected. But, in contrast to Honduras, the physical effects and human impact are less evident a month later.

The mission did not visit El Salvador (population 5.8 million, 475 killed/missing, 84,000 affected) and Guatemala (population 10.9 million, 400 killed/missing, 105,000 affected) but reports suggest substantially less damage. In both countries, agricultural losses appear to be more significant than infrastructure damage (except in particular pockets).

Assessment of disaster response

In both Honduras and Nicaragua, a striking feature has been the self-help efforts of the communities themselves, reflecting the strong regional tradition of community solidarity. Most lives were saved and vulnerable people helped by indigenous efforts as the physical disruption of the hurricane and floods meant that it took time for outside help to arrive. The strength of local government was a key factor in enabling good local mobilisation.

The most effective external life-saving interventions appear to have been carried out by the military (both national and foreign forces). However, there are lessons to be drawn in terms of the efficiency and effectiveness of tasking and military/civil co-operation. The Governments of Honduras and Nicaragua also responded effectively.

Co-ordination in both countries presents a mixed picture. However it is important to recognise the practical constraints (especially in Honduras) and the burden placed by outside organisations rushing in. The UN-coordinated needs assessment process was crucial and reached credible conclusions. The UN Diaster Assessment and Co-ordination (UNDAC) mechanism of OCHA was also useful and appropriately deployed in support of the in-country UN Resident Co-ordinator. Inter-agency co-operation within the UN system appears to have been satisfactory. But overall, the UN could have been more assertive in terms of providing guidance and "gate-keeping", and donors more conscientious—and less competitive—in deferring to UN co-ordination.

The EC through ECHO, has disbursed funds for immediate relief through NGOs working in the region, and is planning an extensive reconstruction package. In the Development Council on 30 November, I emphasised the importance of co-ordinating this with the wider international assistance effort. We intend to work closely with the EC to ensure that its assistance is disbursed as effectively as possible.

International NGOs have also made useful contributions. The best work is being done by agencies already established on the ground. They are able to mobilise existing systems and structures and draw on the local knowledge and trust they have built up. This contrasts with the many diaster relief organisations that have flocked to the region and have had difficulty in finding a meaningful niche while possibly creating additional problems for their hosts (for example overburdening internal transport systems).

Impact of DFID humanitarian assistance

Britain was among the fastest in delivery relief on the ground. In the immediate aftermath of the hurricane, a total of about £1 million was granted by DFID to NGOs (CAFOD, CARE, Christian Aid, Del Campo farmers co-operative, Food for the Hungry, IRC, Tear Fund), the International Federation of Red Cross, the Pan American Health Organisations, and the Office for the Co-ordination of Humanitarian Assistance (OCHA). The geographical distribution of funding to date is about £370,000 for Honduras, £390,000 for Nicaragua, £15,000 for El Salvador, and £200,000 for regional use to benefit all four countries. Most of our grants have been disbursed very rapidly and transformed into urgently needed benefits for an estimated 0.5 million people. These include provision of emergency shelter, clothing, blankets and household goods, water supplies, health care, seeds and other agricultural inputs.

Forward strategy

Immediate disaster relief needs have been largely met except perhaps for the most isolated communities. Planning for the longer-term needs of reconstruction is progressing but it will be at least six months before we see real progress. Meanwhile, there is a transition period in which continued humanitarian assistance is necessary. Survivors—especially those who are displaced—remain vulnerable to disease in the absence of safe water and disruption of health services. Food security can be promoted if inputs are made in time for the current planting season. If primary schooling is not restored, vulnerable children may drop out permanently from education. The solution to meeting these urgent needs is, as has been demonstrated already, by supporting successful community efforts, in close conjunction with socially responsive local municipal authorities, in a way that kick starts local economies. But one very serious constraint—especially in Honduras—is the continued lack of access to poor communities because of disrupted roads. Without tackling this very little else is possible, and vulnerability will increase as people's reserves run out.

The UN is about to launch a "Transitional Appeal" for the period December 1998 to May 1999. This should provide a good framework of priorities. Our own further transitional humanitarian assistance, over the next six months, will enable people—especially the poor who have been left completely destitute by the disaster—to survive and cope, while seeking to establish the basis for sustainable recovery.

In the light of this, I have decided that, during this transitional period, we will provide further humanitarian assistance of £3 million allocated according to the relative needs of the affected countries. This will include:

- In Honduras, a programme of emergency repairs and rehabilitation to secondary (rural) roads, including essential small bridges; and also a public works programme ("cash for work") targeting particularly neglected municipalities. This would benefit poor families by creating short-term local employment while also generating much needed social benefits through the rehabilitation of essential community infrastructure, and injecting cash into local economies.

- In Nicaragua support for UNICEF's emergency programmes to repair water and sanitation infrastructure and to restore primary health and education services for diaster affected communities.

- On a regional basis, support for a WHO/PAHO programme within the national health authorities of the four Central American countries, especially in the area of epidemiological surveillance and epidemic control.

- Support for UNDP's function of inter-agency co-ordination through the Offices of the UN Resident/Humanitarian Co-ordinators in all affected countries.

Longer Term

We are also working on plans to respond to longer term needs. We have already committed £6 million for Central America over the next two years. We are now re-focusing this to take account of reconstruction needs. We are also taking forward the proposals on debt relief which the Chancellor and I announced on 7 November.

Learning the lessons

Given the magnitude of the disaster and the complexity of the international and national response efforts, there are many lessons to be learned to improve disaster preparedness in developing countries. We shall be pursuing these in the context of a UN-led lessons learnt exercise planned for February 1999.

SCOTLAND

Independent Tribunal Service

Mr. Moore: To ask the Secretary of State for Scotland how many people in Scotland had been waiting for more than *(a)* three, *(b)* six, *(c)* 12 and *(d)* 18 months for a response from an Independent Tribunal Service appeal, in the year ended 31 August *(a)* 1998 and *(b)* 1997. [61918]

Angela Eagle: I have been asked to reply.

The information is not available in the form requested. Such information as is available is in the tables.

All cases heard and decided by an appeal tribunal in 1997 and 1998

	January–December 1997
3–6 months	3,448
6–12 months	8,051
1–2 years	1,874
2 years and over	159

	January–August 1998
3–6 months	5,674
6–12 months	10,289
12–18 months	2,489
18 months and over	760

Note:
A figure for 18 months is not available for the 1997 data

Source:
Appeals—Data supplied by Analytical Services Division (ASD) from the computer extracts from the Independent Tribunal Service (ITS).

The Government are committed to reducing the unacceptable delays in handling welfare appeals, new arrangements for decision making and appeals will be introduced next year and will provide a more responsive and efficient service for appellants.

We will set stringent, effective targets for the clearance of appeals when the new arrangements are introduced.

EDUCATION AND EMPLOYMENT

Teachers (Trade Unions)

Mr. MacShane: To ask the Secretary of State for Education and Employment if he will list the trade unions representing teaching staff with which his Department has dealings. [62025]

Mr. Charles Clarke: The Department has dealings with the following trade unions representing teaching staff:

Association of Teachers and Lecturers

Association of University Teachers

National Association of Head Teachers

National Association of Schoolmasters Union of Women Teachers

National Association for Teachers in Further and Higher Education

National Union of Teachers

Professional Association of Teachers

Secondary Heads Association

Undeb Cenedlaethol Athrawon Cymru/National Association of the Teachers of Wales.

Mr. MacShane: To ask the Secretary of State for Education and Employment how many hours were spent in *(a)* primary and *(b)* secondary schools by teachers on permitted trade union activities in each of the last three years for which figures are available. [62028]

Mr. Charles Clarke: This information is not collected centrally.

Literacy and Numeracy

Mr. MacShane: To ask the Secretary of State for Education and Employment what the ranking of the UK has been in standard international comparative tables for literacy and numeracy in each of the last five years. [62026]

Ms Estelle Morris: We are not aware of any standard annual comparative tables for literacy and numeracy. However, the Third International Mathematics and Science Study (TIMSS), carried out in 1995, found that in mathematics England's 9 year olds came 10th out of 17 countries; and our 13 year olds came 16th out of 25 countries. In the International Adult Literacy Survey (IALS), carried out in 1996, British adults came 9th out of the 12 countries for which results are so far available.

This Government are determined to raise standards in schools and also take the issue of basic skills very seriously. That is why we have established the National Literacy and Numeracy Strategies which are designed to raise standards to the level of the best. In addition to the wide range of current adult learning opportunities, the Government have set a target in The Learning Age to help 500,000 people a year by 2002.

Ministerial E-mail Address

Mr. Brake: To ask the Secretary of State for Education and Employment what is his e-mail address. [62562]

Mr. Mudie: The e-mail address for my right hon. Friend and other Ministers in his Department is: http://dfee.ministers@dfee.gov.uk

Class Sizes

Mr. Willis: To ask the Secretary of State for Education and Employment if, where a child is admitted in the final term, as an agreed exception under the Regulations of the School Standards and Framework to a reception infant class that already has 30 pupils, it will be mandatory to

reduce the class size maximum to 30 in the following year; and what advice local education authorities will be given on compliance with the legislation. [61824]

Ms Estelle Morris: There are two general sets of circumstances in which a child will be treated as an excepted pupil and not count towards the infant class size limit of 30 pupils for every qualified teacher, to apply from the start of the 2001–2002 school year—

(1) where a child is admitted to the school in certain specified circumstances that could not have been anticipated in planning, for example where he moves into the area outside a normal admission round and cannot find a place at any other suitable school; and

(2) where a child, who is normally educated in a special school or in a unit in a mainstream school for children with Special Educational Needs (SEN), attends a mainstream class.

The first set of exceptions applies only for the remainder of the school year in which the child was first admitted—even where the child was admitted during the final term of that year. The second set of exceptions enables those pupils to gain the benefit of attending mainstream classes and will be permitted beyond the school admission year—at any time when those pupils attend the infant classes at the mainstream school or outside the special unit. Thus it will only be mandatory to reduce the class size maximum to 30 in the following year if the exception is one within the first group.

On 9 September 1998, the Department for Education and Employment sent guidance (and copies of the relevant Regulations) on the class sizes legislation to all local education authorities in England.

Communications Technology

Helen Jones: To ask the Secretary of State for Education and Employment what research his Department has commissioned into the effect of studying information communications technology on developing children's ability in other subjects; and if he will make a statement. [62114]

Mr. Charles Clarke: In recent years the Department has commissioned a range of relevant studies and evaluations. These include

The Impact of IT on Children's Achievements (1992)

Preparing for the Information Age (1997)

The UK ILS Evaluations (1998).

As part of the National Grid for Learning, the Department will be initiating further studies in the development and use of ICT within the curriculum.

In addition, the Teacher Training Agency has commissioned a major research study into effective pedagogy for the use of Information and Communications Technologies (ICT) in literacy and numeracy in primary schools.

Art and Music

Helen Jones: To ask the Secretary of State for Education and Employment what research his Department has commissioned into the effect of art and music lessons in developing children's ability in other subjects; and if he will make a statement. [62113]

Ms Estelle Morris: My Department has not commissioned any research into the effect of art and music lessons on children's ability in other subjects. This Government believe that art and music are essential parts of every child's education. That is why music and art remain National Curriculum foundation subjects which must be taught by all schools as part of a broad and balanced curriculum.

School Organisation Plans

Mrs. May: To ask the Secretary of State for Education and Employment by whom the funding for any public inquiry held by an adjudicator to determine the outcome of proposals for a school organisation plan will be provided. [62306]

Ms Estelle Morris: Where an Adjudicator wishes to hold a public inquiry, or is required to do so in respect of school organisation proposals published by the Secretary of State, the cost of that inquiry will be met by the Department for Education and Employment. The Local Education Authority or school concerned will be invited to offer accommodation for the inquiry.

Teachers (Vacancies)

Mrs. May: To ask the Secretary of State for Education and Employment how many teacher vacancies there were in *(a)* primary schools and *(b)* secondary schools at the latest date for which information is available by each local education authority. [62304]

Mr. Charles Clarke: The information requested is shown in the table.

Teacher vacancies[1] in maintained nursery/primary and secondary schools by LEA: and Government Office region: January 1998

England	*Nursery and Primary*	*Secondary*
Gateshead	3	1
Newcastle-upon-Tyne	3	2
North Tyneside	0	0
South Tyneside	0	2
Sunderland	7	7
Hartlepool	3	1
Middlesbrough	5	6
Redcar and Cleveland	1	9
Stockton on Tees	3	6
Durham	11	7
Darlington	3	4
Northumberland	0	0
North East	39	45
Cumbria	1	1
Cheshire	25	14
Bolton	0	2
Bury	0	1
Manchester	0	0
Oldham	10	3
Rochdale	10	2
Salford	0	0
Stockport	0	0
Tameside	2	4
Trafford	0	2
Wigan	5	0
Lancashire	27	9
North West	80	38
Knowsley	6	7
Liverpool	0	4
St. Helens	1	4

Teacher vacancies[1] in maintained nursery/primary and secondary schools by LEA: and Government Office region: January 1998

England	Nursery and Primary	Secondary
Sefton	0	0
Wirral	4	10
Merseyside	11	25
City of Kingston-Upon-Hull	0	1
East Riding of Yorkshire	1	0
North East Lincolnshire	1	1
North Lincolnshire	2	0
North Yorkshire	8	8
York	0	0
Barnsley	2	5
Doncaster	0	0
Rotherham	0	0
Sheffield	14	6
Bradford	14	34
Calderdale	11	3
Kirklees	0	6
Leeds	16	9
Wakefield	0	0
Yorkshire and The Humber	69	73
Derbyshire	25	13
Derby	6	4
Leicestershire	2	9
Leicester City	5	7
Rutland	1	1
Lincolnshire	37	21
Northamptonshire	1	2
Nottinghamshire	0	0
East Midlands	77	57
Hereford and Worcester	1	6
Shropshire	1	0
Staffordshire	13	8
Stoke	10	8
Warwickshire	11	1
Birmingham	7	30
Coventry	4	3
Dudley	5	9
Sandwell	8	7
Solihull	3	4
Walsall	15	21
Wolverhampton	2	6
West Midlands	80	103
Cambridgeshire	1	6
Norfolk	19	11
Suffolk	8	14
Bedfordshire	11	12
Luton	7	16
Essex	56	46
Herefordshire	31	36
Eastern	133	141
City	0	0
Camden	12	2
Greenwich	31	22
Hackney	51	9
Hammersmith and Fulham	35	12
Islington	27	15
Kensington and Chelsea	17	3
Lambeth	6	6
Lewisham	31	18
Southwark	54	6
Tower Hamlets	52	13
Wandsworth	29	5
Westminster	13	4
Barking	10	7
Barnet	8	14
Bexley	1	5
Brent	20	8

Teacher vacancies[1] in maintained nursery/primary and secondary schools by LEA: and Government Office region: January 1998

England	Nursery and Primary	Secondary
Bromley	11	4
Croydon	8	5
Ealing	17	30
Enfield	11	6
Haringey	20	10
Harrow	9	2
Havering	0	15
Hillingdon	15	13
Hounslow	8	14
Kingston-upon-Thames	5	1
Merton	7	0
Newham	61	21
Redbridge	7	10
Richmond-upon-Thames	2	1
Sutton	4	5
Waltham Forest	43	4
London	625	290
Berkshire	0	5
Buckinghamshire	10	14
Milton Keynes	5	0
East Sussex	18	11
Brighton and Hove	8	5
Hampshire	38	19
Portsmouth	8	15
Southampton	6	13
Isle of Wight	0	0
Kent	55	34
Oxfordshire	4	3
Surrey	27	14
West Sussex	31	8
South East	210	141
Bath and North East Somerset	5	0
City of Bristol	9	5
North Somerset	5	5
South Gloucestershire	3	4
Cornwall	6	2
Isles of Scilly	0	0
Devon	15	7
Dorset	9	7
Poole	1	2
Bournemouth	0	0
Gloucestershire	3	5
Somerset	1	3
Wiltshire	5	13
Swindon	5	2
South West	67	55
England	1,391	968

[1] Vacancies are recorded for posts which are full-time, permanent, are not currently filled by someone on a contract of one term or more and have been advertised. Vacancies for head teacher and deputies are included above.

Source:

Form 618G survey January 1998

School Standards

Mrs. May: To ask the Secretary of State for Education and Employment when he expects to appoint adjudicators under section 25 of the School Standards and Framework Act 1998; and if he will publish the job description for such adjudicators. [62305]

Ms Estelle Morris: We will announce the appointment of adjudicators in the New Year. The posts were advertised in the Summer. Those who expressed an interest were sent a copy of the job description and person specification, which is as follows.

School organisation and admissions adjudicators

The job

The School Standards and Framework Bill, currently before Parliament, provides for decisions on changes to school organisation (opening, closing, enlarging and changing the character of schools) to be taken at local level by a School Organisation Committee, established by, but independent of the local authority. The Bill also provides for the Secretary of State to appoint adjudicators to consider cases where the School Organisation Committee is unable to reach a decision. The Bill also establishes new arrangements for agreeing school admissions arrangements at local level and provides for complaints about admissions arrangements to be referred to the adjudicator for resolution.

The adjudicator will consider and decide cases, usually on paper, taking account of the views both of those proposing change and those objecting to it. There will be guidance from the Secretary of State on issues that adjudicators will wish to take into consideration. In the case of admissions there will be a statutory Code of Practice. Adjudicators will be empowered to hold a local public inquiry into any case and will be required to do so if any proposals are made by the Secretary of State. Further background information is contained in the attached documents.

The Secretary of State proposes to appoint about 20 adjudicators initially, for two or three years. Adjudicators will be allocated cases on the basis of their availability—and where appropriate on the basis of geographical location. We expect that adjudicators will work from home. Adjudicators will be paid £270 per day plus expenses for any day on which they are required to consider cases. The Secretary of State will provide other facilities as necessary and administrative support, which will be located in Darlington. It is difficult to assess loading at this stage, but an adjudicator might be called upon on between 60 and 120 days each year. There are likely to be seasonal pressures, particularly in considering admissions issues, around Easter.

The first appointment will be of a lead adjudicator whose role would be to secure effective and efficient adjudication by:

(a) developing procedures and processes through some experience of adjudicating and through discussion with other adjudicators;

(b) seeking efficient use of resources through guidance on practical issues such as conduct of considerations and writing of decisions;

(c) seeking to support the consistent application of procedures through peer review—but not reviewing decisions once made. (The provision for appeal against adjudicators' decisions is judicial review);

(d) convening and chairing training conferences;

(e) undertaking appraisal of adjudicators, which would inform a decision on re-appointments or potentially on the allocation of cases;

(f) advising on recruitment and appointment;

(g) the publication of an annual report;

(h) providing one voice for the adjudication service with whom Ministers could discuss concerns.

But we do not envisage that the lead adjudicator will have a heavier adjudication load than any other adjudicator. The lead adjudicator will also be a part-time appointee, but will be paid £300 a day, and would be guaranteed work for 125 days per year.

Interviews for candidates for appointment as lead adjudicator will be held in September, with a view to the appointee taking up post as soon as possible thereafter. Other interviews for adjudicators will be held in the late Autumn.

Person Specification

The role of an adjudicator will be a challenging one. It is essential that adjudicators have credibility with both the local and education communities, derived from their experience, independence and impartiality.

Adjudicators must be able to keep an objective perspective, weigh competing arguments, and be accepted for their ability to do so.

We envisage that successful applicants will have experience of education or education planning at a senior level, for example as a senior education officer; a headteacher or an HMI.

For the lead adjudicator, in addition to the above, the successful applicant will have experience of senior management in large organisation, for example as a Chief Education Officer.

EU Youth Affairs Council

Mr. Dismore: To ask the Secretary of State for Education and Employment if he will make a statement on the outcome of the EU Youth Affairs Council meeting on 26 November. [62772]

Mr. Mudie: I attended the Council of Youth Ministers in Brussels on 26 November.

The Council agreed unanimously a resolution proposed by the Presidency encouraging the Community and member states to involve young people in decision-making at all levels. The Council also discussed the Commission's proposal for a Community youth action programme from the year 2000 but was unable to reach an agreed common position.

Secondary School Teachers

Mr. MacShane: To ask the Secretary of State for Education and Employment how many graduates from *(a)* Oxford, *(b)* Cambridge, *(c)* London, *(d)* Warwick and *(e)* Sussex universities have been employed as secondary school teachers in grant maintained schools in (i) 1990, (ii) 1995 and (iii) the last year for which there are records. [62376]

Mr. Charles Clarke: This information is not held centrally.

HOME DEPARTMENT

Boards of Visitors

Mr. Miller: To ask the Secretary of State for the Home Department if he has received a copy of the Annual report for 1997 by the National Advisory Council for the Boards of Visitors of England and Wales. [62676]

Mr. Straw: I was presented with a copy of the National Advisory Council for the Boards of Visitors of England and Wales' Annual Report for 1997, by its Chairman Mrs. Ruth Draycott OBE JP on 18 August 1998.

I have asked my noble Friend the Minister of State, Lord Williams of Mostyn, to consider the report and to respond to the issues raised in it.

A copy of the report has been placed in the Library.

Asylum and Immigration

Mr. Clappison: To ask the Secretary of State for the Home Department what changes in the arrangements for *(a)* deporting persons subject to deportation orders and

(b) locating and removing illegal immigrants are planned to be made in the period from 1 December 1998 to 1 March 1999. [62228]

Mr. Mike O'Brien: The period 1 December 1998 to 1 March 1999 will see the reorganisation of casework in the Immigration and Nationality Directorate from the present Directorates into a single Integrated Caseworking Directorate. Arrangements for the removal of illegal entrants and people against whom deportation orders have been made will continue unchanged during this period: and the Immigration Service will continue to respond in cases where suspected illegal entrants are detected. During the reorganisation of headquarters case records there will be some interruption to the paper processing of cases, but this will not affect the ability of local immigration officers to take enforcement action in the many cases where decisions have already been taken.

Mr. Clappison: To ask the Secretary of State for the Home Department (1) how he plans to ascertain whether or not the considerations to be taken into account in dealing with asylum applications made between 1 July 1993 and 31 December 1995 apply to the cases of individual asylum seekers; and if he plans that each such applicant will be interviewed; [62229]

(2) how he plans to ascertain the considerations to be taken into account in dealing with asylum applications made between 1 July 1993 and 31 December 1995; and if he plans that each such applicant will be interviewed. [62209]

Mr. Mike O'Brien: Undecided asylum cases, where the date of application falls between the dates relevant to the backlog procedure, have already been identified. Instructions to caseworkers processing these cases will be issued shortly and will be made available to the public through selected sites and the internet. A copy will also be placed in the Library.

Although it may be necessary to interview some of these applicants in order to give cases full consideration, where possible a decision will be taken on the information already available on the file, or subsequently obtained by post from the applicant.

Mr. Clappison: To ask the Secretary of State for the Home Department what assessment he has made of the incidence of offending among asylum seekers; and if he will make a statement. [62211]

Mr. Mike O'Brien: No general assessment has been made of such incidents, but any conviction will be notified to the Immigration and Nationality Directorate and will be taken into account when deciding whether an asylum seeker should be allowed to remain in the United Kingdom. There is no evidence that the vast majority of asylum seekers are committing non-immigration criminal offences in the United Kingdom. Recent reports in the press have highlighted criminal offending by a minority, most of whom, with the sanction of the courts, will be removed from the United Kingdom.

Mr. Clappison: To ask the Secretary of State for the Home Department if he proposes to establish guidelines as to the considerations to be taken into account in dealing with asylum applications made between 1 July 1993 and 31 December 1995 as outlined in paragraph 8.30 of Fairer, Faster and Firmer. [62208]

Mr. Mike O'Brien: Instructions on how to deal with cases which fall to be dealt with under the backlog procedures are to be issued to staff shortly. A copy of these instructions will be placed in the Library, sent to selected sites and placed on the Immigration and Nationality Directorate's website on the internet.

Mr. Clappison: To ask the Secretary of State for the Home Department what account will be taken of delays in dealing with their asylum claim caused by the actions of the asylum seekers themselves as regards applicants *(a)* before 1 July 1993 and *(b)* from 1 July 1993 to 31 December 1995, in determining the eligibility of such an asylum applicant for indefinite leave to remain under paragraph 8.29 of Fairer, Faster and Firmer. [62233]

Mr. Mike O'Brien: It would be difficult to envisage a set of criteria which would make it possible to distinguish those who through some action have delayed their case and the extent to which it was, in each individual case, justifiable or not.

Applicants who sought asylum in the United Kingdom before 1 January 1996 and who were still awaiting an initial decision on 27 July 1998 will not be excluded from the backlog procedures announced in the White Paper, even if some of the delay was caused by their own actions. However, any applicant whose case is being dealt with as part of the backlog exercise who, without good reason, fails to respond promptly to inquiries made by the Immigration and Nationality Directorate since the publication of the White Paper, is liable to have their application refused on non-compliance grounds.

Mr. Clappison: To ask the Secretary of State for the Home Department (1) how he proposes to ascertain in the case of each individual applicant whether or not the presence of pre-July 1993 asylum applicants is conducive to the public good; [62207]

(2) how he plans to ascertain in the case of individual pre-July 1993 asylum seekers whether or not their presence is conducive to the public good. [62213]

Mr. Mike O'Brien: The information on individual case files will be examined. The Immigration and Nationality Directorate is routinely informed when those subject to immigration control are arrested and convicted of an offence.

Mr. Clappison: To ask the Secretary of State for the Home Department if he will list the offences which amount to serious criminal offences for the purposes of determining the eligibility of pre-1 July 1993 asylum applicants for indefinite leave to remain under Para 8.29 of Fairer, Faster and Firmer-A Modern Approach to Immigration and Asylum. [62230]

Mr. Mike O'Brien: It depends on the circumstances of the case, but generally an offender receiving a custodial sentence of 12 months or more would be excluded from benefiting from the backlog procedure. Other offenders may be excluded if their record is serious enough.

Mr. Clappison: To ask the Secretary of State for the Home Department what steps are currently taken to discover if asylum seekers have a criminal record prior to claiming asylum in the United Kingdom; and what plans he has to introduce new checks so as to ascertain if asylum seekers have criminal records. [62210]

Mr. Mike O'Brien: It is existing practice for the Immigration and Nationality Directorate to be advised if any foreign national is convicted of a criminal offence in the United Kingdom. A refugee who has been convicted by a final judgment of a particularly serious crime and constitutes a danger to the community may be removed to the country from which they sought asylum. When considering asylum applications, factors such as criminal convictions will be taken into account if a person qualifies as a refugee and before permission is given to remain in the United Kingdom.

It is not generally possible to ascertain whether an asylum seeker has committed an offence before they arrived in this country. However, if it is discovered that they have, consideration will be given to whether their actions exclude them from protection under the terms of the 1951 Convention Relating to the Status of Refugees.

We have no plans to introduce any new checks to ascertain whether asylum seekers have criminal records.

Mr. Clappison: To ask the Secretary of State for the Home Department what assessment he has made of the likely effects of the refurbishment of Lunar House on the Immigration Service over the next three months. [62227]

Mr. Mike O'Brien: The conditions at Lunar House have been described as Dickensian. The much needed refurbishment has been timed to fit in with fundamental changes in the way the Immigration and Nationality Directorate (IND) handles casework. These include the creation of a new Integrated Casework Directorate, which will be in temporary offices above the Whitgift Centre in Croydon until the building work on Lunar House has been completed in 2001. I wrote to all hon. Members on 18 November to explain that there will be considerable upheaval in the next three months. However, I am confident that, after February, IND's service will be much improved. The refurbishment will create more reasonable conditions, which will be more conducive to the efficient delivery of services.

Dr. Harris: To ask the Secretary of State for the Home Department how many asylum applications from Slovakians have been certified since May 1997; how many Roma or Slovakian cases there have been in the period; and in how many of these cases the certification has been overturned at appeal. [61690]

Mr. Mike O'Brien: The number of asylum applications made by nationals of Slovakia from May 1997 to October 1998 was 1,095, of which 565 were certified. I regret the information on ethnic origin could be obtained only by examination of individual case records and is, therefore, available only at disproportionate cost. I regret that the information on how many of the certified refusals overturned at appeal is not available.

Gun-related Crime

Mr. Gray: To ask the Secretary of State for the Home Department if he will list, by offence, the number of gun-related crimes committed between *(a)* July 1995 and July 1996, *(b)* July 1996 and July 1997 and *(c)* July 1997 and July 1998. [62194]

Mr. Boateng: The table gives the readily available information which relates to the number of notifiable offences in which firearms, other than air weapons, were reported to have been used.

Notifiable offences recorded by the police in which firearms, other than air weapons, were reported to have been used England and Wales 1995–1996

Offences	*July 1995-June 1996*	*July 1996-June 1997*	*July 1997-June 1998 (provisional)*
Homicide	64	51	43
Attempted murder and other acts (including wounding) endangering life	746	547	652
Other offences of violence against the person	596	743	809
Robbery	4,249	3,307	2,720
Burglary	255	240	273
Other offences excluding criminal damage	248	229	221
Criminal damage	155	144	103
All offences	6,313	5,261	4,821

Note:
Figures for July 1997 to June 1998 exclude a few offences which became notifiable from 1 April 1998

Shapurji Saklatvala

Dr. Kumar: To ask the Secretary of State for the Home Department if he intends to publish the files kept by the security services on Shapurji Saklatvala; and if he will make a statement. [61649]

Mr. Straw: It is long-standing Government policy neither to confirm nor deny whether the Security Service holds a record on any individual. I informed the House on 29 July 1998, *Official Report*, columns *251–52*, that the Security Service has released almost all the surviving material in its archive covering the years 1909–1919, and is actively reviewing for release its more extensive stock of records for World War Two. Once this second phase of historical release has been completed, the Service will review its inter-war records in preparation for further releases. It is that period which is relevant to my hon. Friend's Question.

Prison Service (Staff Messes and Clubs)

Mr. Beith: To ask the Secretary of State for the Home Department if the Prison Service is directly liable for debts occurring in (i) staff messes and (ii) staff clubs in prison service establishments; and if he will make a statement. [61907]

Mr. George Howarth: The Prison Service is currently liable for debts incurred by staff messes in Prison Service establishments.

Staff clubs are, according to current model rules, independent entities separate from Prison Service establishments. They are formed by staff and the managing committee should be responsible for any debts that arise. In their day-to-day operation with creditors, however, clubs have, on occasions, failed to make it clear that they are a separate legal entity from the core Prison Service. Consequently, when problems have occurred, the Prison Service has not always been able to distance itself from liability in the minds of creditors. The worst cases have resulted in settlement of debts from public funds. The Prisons Board has approved a corrective course of action which, following implementation, will ensure public funds are not misused to clear mess and club debts, fines and penalties.

Mr. Beith: To ask the Secretary of State for the Home Department how many *(a)* staff messes and *(b)* staff clubs in prison service establishments have closed in each of the last five years. [61905]

Mr. George Howarth: From the information currently available, the following number of staff messes and clubs in Prison Service establishments have closed during the last three years:

1996: One club

1997: Five clubs and one mess

1998: One club and one mess.

Prisoners (Complementary Medicine)

Mr. Tredinnick: To ask the Secretary of State for the Home Department how many of HM prisons currently provide complementary medical services for prisoners; how many others have requested such provision; and if he will make a statement. [62198]

Mr. George Howarth: Thirty-one Prison Service establishments have reported that they provide some form of complementary medical services to prisoners; and a further eight have said that they have plans to do so. The Prison Service is planning to issue guidance on the place of complementary therapies alongside conventional health services, as well as the range of treatments that it would be appropriate to offer in the prison context.

Augusto Pinochet

Mr. Winnick: To ask the Secretary of State for the Home Department if he will make a statement on the security arrangements for Augusto Pinochet following *(a)* his arrest and *(b)* his removal to another place of residence. [62119]

Mr. Straw: Security arrangements for individuals are an operational matter for the chief officer of police concerned.

Electoral Procedures

Mr. Todd: To ask the Secretary of State for the Home Department what was the outcome of the review of the commercial sale of electoral registers by the Working Party on Electoral Procedures. [61802]

Mr. George Howarth: The Working Party on Electoral Procedures has asked Home Office civil servants to consult further with commercial and other interests about business' concerns before the sale of the register is considered again in detail later in the Working Party's programme.

Food Poisoning

Mrs. Lait: To ask the Secretary of State for the Home Department how many cases of food poisoning have been reported in each year since 1995 caused by *(a)* turkeys eviscerated in retail premises, *(b)* turkeys eviscerated in retail premises which were improperly cooked, *(c)* turkeys eviscerated at abattoirs and *(d)* turkeys eviscerated at abattoirs which were improperly cooked. [61670]

Ms Jowell: I have been asked to reply.

The majority of food poisoning notifications are sporadic cases which cannot normally be linked to a specific food vehicle. The most reliable data linking particular foods with infection is derived from the investigation of outbreaks. Information on outbreaks associated with food production processes such as those relating to the slaughter and evisceration of poultry is not available. The tables show the pathogens responsible for disease associated with the consumption of turkey products and the faults in food handling that investigators have identified as contributing to the transmission of infection in these outbreaks.

General outbreaks of infectious intestinal disease reported to be associated with the consumption of turkey/turkey products, England & Wales 1995–97

Organism	*1995*	*1996*	*1997*
Clostridium perfringens	1	—	8
Salmonella enteritidis PT4	3	4	—
Salmonella enteritidis other phage types	1	1	2
Salmonella typhimurium	3	1	1
Other salmonellas	—	1	—
Staphylococcus aureus	—	3	—
SRSV	1	—	—
Unknown	—	1	—

General outbreaks of infectious intestinal disease reported to be associated with the consumption of turkey/turkey products, faults suspected to be contributory factors

Organism	*Number of outbreaks*	*Infected food handler*	*Inadequate heat treatment*	*Cross contamination*	*Inadequate storage*
1995					
Clostridium perfringens	1	—	—	—	—
Salmonella enteritidis PT4	3	1	2	2	3
Salmonella enteritidis other phage types	1	—	1	1	1
Salmonella typhimurium	3	1	—	—	—
SRSV	1	—	—	—	—

General outbreaks of infectious intestinal disease reported to be associated with the consumption of turkey/turkey products, faults suspected to be contributory factors

Organism	Number of outbreaks	Infected food handler	Inadequate heat treatment	Cross contamination	Inadequate storage
1996					
Salmonella enteritidis PT4	4	1	2	4	1
Salmonella enteritidis other phage types	1	—	1	1	—
Salmonella typhimurium	1	—	1	1	1
Other salmonellas	1	—	1	—	—
Staphylococcus aureus	3	1	—	1	3
Unknown	1	—	1	—	1
1997					
Clostridium perfringens	8	—	3	1	2
Salmonella enteritidis PT4	0	—	—	—	—
Salmonella enteritidis other phage types	2	—	—	2	1
Salmonella typhimurium	1	—	1	—	—

Notes:
Up to three food vehicles may be reported for a single outbreak. The outbreaks listed above are those in which at least one of the vehicles reported were a turkey based product more than one fault may be reported for an outbreak.
Source:
Public Health Laboratory Service Communicable Disease Surveillance Centre

CABINET OFFICE

Ministerial E-mail Address

Mr. Brake: To ask the Minister for the Cabinet Office what is his e-mail address. [62563]

Dr. Jack Cunningham: My e-mail address is jcunningham@cabinet-office.gov.uk.

HEALTH

Adverse Drug Reactions

Mr. Llew Smith: To ask the Secretary of State for Health what research has been *(a)* conducted and *(b)* commissioned by his Department into the children in respect of whom yellow cards have been issued. [61621]

Ms Jowell: The Medicines Control Agency is funding, jointly with the National Health Service, Executive Trent, a pilot project for the reporting of suspected adverse drug reactions in children, entailing the establishment of a research unit at Derbyshire Children's Hospital run by Professor Imti Choonara of the University of Nottingham. The objectives of the project are to stimulate reporting of suspected adverse drug reactions occurring in children in the Trent region to the Medicines Control Agency and Committee on Safety of Medicines, to identify and investigate possible signals of new adverse drug reactions occurring in children and to determine the value of extending the scheme to other regions or nationally. The centre commenced work in September 1998 and will report on its progress in mid-1999.

The current processes undertaken by the Medicines Control Agency for the evaluation of reports on yellow cards involve the identification and investigation of patterns suggesting new safety concerns, so that suitable steps can be taken to make sure that medicines are used as safely as possible.

Mr. Llew Smith: To ask the Secretary of State for Health what guidance his Department issues to GPs on informing people of potential side-effects of the use of MR or MMR vaccinations. [61610]

Ms Jowell: A doctor must decide what information to pass on to a patient about the possible adverse reactions to any drug, including vaccines, and we would expect them to pass on all the relevant information to each patient. Full details of the contraindications to vaccination and the adverse reactions associated with measles, mumps and rubella (MMR) vaccine are set out in the United Kingdom Health Departments' memorandum "Immunisation against Infectious Disease" which is issued to doctors. The chapter on MMR states:

"Parents should be told about possible symptoms after immunisation".

In addition, the Health Education Authority (HEA) produces a range of leaflets on immunisation, which give information on possible side effects. Details of possible adverse reactions to MMR vaccine are included in the leaflet "A Guide to Childhood Immunisations", which is given to new parents, and in the leaflet "Immunisation for School Leavers". The HEA also produces a range of factsheets, including two on MMR, to assist healthcare professionals in responding to more detailed queries from parents.

Measles/rubella (MR) vaccine was used during the 1994 immunisation campaign. During the campaign all parents received an information leaflet/consent form and parents who were worried were advised to talk to their family doctor or school nurse. A letter from the Chief Medical and Nursing Officers, information and question and answer sheets were issued to all doctors and nurses either involved in giving the vaccine or in giving information on the campaign.

Mr. Llew Smith: To ask the Secretary of State for Health what guidance his Department has issued to GPs on conducting follow-up inquiries after the reporting of adverse health reactions on a yellow card. [61611]

Ms Jowell: On receipt of a yellow card, the Medicines Control Agency (MCA) sends out a letter to each reporter which reminds them to forward any further relevant information when available. Each yellow card report of a suspected adverse drug reaction is evaluated by the MCA. Where the information provided on a report is insufficient, the reporter is contacted for further details.

Reporters can at the time of reporting request an overview of the adverse reactions already reported in association with the suspect drug and this may stimulate the doctor to provide further information.

Cosmetic Surgery

Mr. Gordon Prentice: To ask the Secretary of State for Health if he will ensure that doctors are obliged to detail in writing the potential adverse consequences and dangers arising from a cosmetic surgical procedure. [61816]

Mr. Hutton: In obtaining consent to any surgical procedure medical practitioners must ensure that patients receive sufficient information presented in a form that they can understand about the intended procedure, the alternatives and any substantial risks.

Human Fertilisation and Embryology

Mr. Lock: To ask the Secretary of State for Health when he intends to publish the report following the review by Professor Sheila McLean of the consent provisions in the Human Fertilisation and Embryology Act 1990. [62588]

Ms Jowell: I am pleased to announce that the Report of the Review of the common law provisions relating to the removal of human gametes (sperm or eggs) and of the consent provisions in the Human Fertilisation and Embryology Act 1990 has been published today. Copies have been placed in the Library. The review, announced in February 1997, was conducted by Sheila McLean, Professor of Law and Ethics in Medicine at the University of Glasgow, and followed the Court of Appeal judgment in the case of R v. Human Fertilisation and Embryology Authority ex parte Diane Blood.

In September 1997 Professor McLean conducted a public consultation on the issues raised in the course of her review. Over 600 copies of her discussion document were issued, with 116 responses being received. We welcome Professor McLean's Report which, following a thorough and comprehensive review of the complex issues involved, has delivered sensible and well argued recommendations. These include:

- in terms of the common law provisions relating to the removal of human gametes the report recommends that the current requirement for formal consent following adequate disclosure of information, should remain;
- the courts should be asked to determine whether the removal of gametes is lawful where there is any doubt about such removal in cases where consent cannot be given in the usual way;
- the requirement in the Human Fertilisation and Embryology Act 1990 for consent to certain treatment provided under the Act (such as in-vitro fertilisation and donor insemination) to be given in writing should remain, and be extended to all treatment provided under the Act; and
- that the 1990 Act should be amended to remove from the Human Fertilisation and Embryology Authority any discretion to permit the export of human gametes that have been removed unlawfully.
- recommendations about the status of children born after the death of the gamete provider and the need for gamete providers to take account of succession rights of such children when storing gametes.

Following Mrs. Blood's case, there was considerable public and parliamentary interest in such issues and in particular as to whether the existing provisions in the common law and the Human Fertilisation and Embryology Act 1990 reflected clinical and lay opinion. We have decided, therefore, to seek public and professional views on the recommendations. These will be requested by the end of April, when we will consider the best way of taking the recommendations forward.

We are very grateful to Professor Sheila McLean for having produced such a carefully considered Report.

Mental Health

Mr. Hesford: To ask the Secretary of State for Health when he will lay a revised version of the Code of Practice on the Mental Health Act 1983 before the House. [62773]

Mr. Hutton: We have today laid copies of a revised version of the Code of Practice on the Mental Health Act 1983 before the House, in accordance with Section 118(4) of the Act. Copies are available in the Library.

Acquired Brain Injuries

Mr. Burstow: To ask the Secretary of State for Health, pursuant to his answer of 27 November 1998, *Official Report*, column *26*, concerning services for people with brain injuries, when the draft guidance will be ready for consultation. [62200]

Mr. Hutton: The draft guidance should be ready for consultation by the summer of 1999.

Road Accidents (NHS Charges)

Mr. Dismore: To ask the Secretary of State for Health how much, in each of the last three years, Wellhouse NHS trust *(a)* recovered from insurance companies for the cost of treatment and *(b)* spent on treating road accident victims. [62288]

Mr. Hutton: Information on the cost of treating road accident victims at the Wellhouse National Health Service Trust is not available. The trust received the following income under the provisions of sections 157 and 158 of the Road Traffic Act 1988:

Year	*Income (£000)*
1995–96	52
1996–97	45
1997–98	30

Source:
1. Annual summarisation schedules 1997–98
2. Annual financial returns 1995–96 and 1996–97

The Road Traffic (NHS Charges) Bill, introduced to the House of Commons on 27 November 1998, will provide a centralised system of collection for Road Traffic Act charges. This will relieve hospitals of the administrative burden associated with this task and ensure that more cases are identified and that more income is returned directly to the hospital providing the care.

Cardiac Disease (Staffordshire)

Mr. Fabricant: To ask the Secretary of State for Health if he will list the percentage of patients who achieve return of spontaneous circulation at the point of admission following *(a)* cardiac arrests and *(b)* heart attack having been delivered to (i) Stafford General Hospital, (ii) Burton District General Hospital and

(iii) Good Hope Hospital, Sutton Coldfield by the Staffordshire Ambulance Service for each of the last two financial years. [61902]

Ms Jowell: The information for part *(a)* is listed in the table. Many patients suffering a heart attack (myocardial infarction) do not have a cardiac arrest and do not lose spontaneous circulation. These are therefore not included in the table.

Percentage

Hospital	*1996–97*	*1997–98*
Stafford General	20.5	19.0
Burton District General Hospital	17.1	19.0
Good Hope	22.9	15.2

Source:
Staffordshire Ambulance Service Cardiac Arrest Audit April 1997–March 1998

Pre-pregnancy Care

Mr. Field: To ask the Secretary of State for Health what provision he plans to make for pre-pregnancy care of women of childbearing age, following the Acheson report concerning inequalities in health. [62286]

Mr. Hutton: The Acheson Report drew attention to improvements in health and life expectancy associated with income and living standards. The Government are firmly committed to improving the living standards of the poorest households and are already taking a number of measures that will help to achieve this. We shall be considering Sir Donald Acheson's recommendations as a whole in the development of a new health strategy, and we shall publish a White Paper early next year.

Independent Pharmacists

Mr. Simon Hughes: To ask the Secretary of State for Health what is the average length of the time taken, by region, by his Department to pay independent pharmacists for the cost of medicines dispensed. [62068]

Mr. Milburn: A payment representing approximately 80 per cent. of the amount due for dispensing prescriptions is made to community pharmacists on the first day of the month following that in which correctly endorsed prescriptions are received for pricing at the prescription pricing authority. The balance is paid on the first day of the following month once prescriptions have been fully processed.

Renal Services

Mr. Jack: To ask the Secretary of State for Health for what reasons the North West Lancashire, Morecambe Bay and South Cumbria, East Lancashire, and South Lancashire health authorities have not agreed a policy to fund an expansion of the renal unit at the Royal Preston Hospital; and if he will make a statement. [61743]

Mr. Milburn: The four health authorities support the recommendations of the pan-Lancashire review of renal services, which reported last year. That review recommended the development of a "hub-and-spoke" model for long term renal care; a hub in Preston and satellite units in Accrington, Blackpool and Kendal. The authorities agreed additional revenue for 1998–99 to implement the model in the short term, essentially by maximizing the use of existing local facilities. They have also set up a working group to determine how resources should be allocated in future years.

Mr. Jack: To ask the Secretary of State for Health what amount was spent per head of population on renal services in each health authority area in England in the year for which he has the most up-to-date data. [61744]

Mr. Milburn: In terms of global budget, 1.5 per cent. of National Health Service revenue was spent on renal services in 1996. Information about the amount spent per capita on renal services in each health authority in England is not available.

NHS Work Force (Health)

Helen Jones: To ask the Secretary of State for Health what estimate he has made of the savings to the NHS budget which could be made by implementing the recommendations in the report, Improving the Health of the NHS Workforce; and if he will make a statement. [62116]

Mr. Milburn: It is difficult to estimate, at this stage, what savings might accrue from the successful implementation of the recommendations of the Nuffield report, but it is acknowledged that a reduction of 1 per cent. in staff sickness absence would release £140 million per annum for patient care.

Special Hospitals

Helen Jones: To ask the Secretary of State for Health (1) what steps his Department has taken to ensure that staff working in special hospitals understand their role within the complaints system; [62118]

(2) what action his Department is taking to improve the methods for selecting and training staff who work with newly admitted patients in special hospitals. [62117]

Mr. Hutton: It is for each high security (special) hospital to determine the methods to be employed in selecting staff to work in the hospital, and to ensure that they receive any necessary advice, training and education to enable them to perform the full range of their duties.

A seminar is being held in each region in England and in Wales, looking at training, work force planning and education issues relating to people working with mentally disordered offenders (MDOs). This programme covers the whole range of agencies and disciplines who have an involvement with MDOs, whether in secure settings or in the community. It aims to identify the core and specialist skills required to work successfully with MDOs and to develop efficient and effective training, work force planning and education strategies within each region.

Reflex Sympathetic Disorder

Mr. Pickthall: To ask the Secretary of State for Health what is his estimate of the numbers of United Kingdom citizens currently suffering from reflex sympathetic disorder; how many are registered disabled; and what research the NHS has conducted into (i) the causes of and (ii) potential cures for the disorder. [61901]

Mr. Hutton: The information requested is not available in the form required. No research is currently taking place in relation to reflex sympathetic disorder. However, the National Health Service provides a wide range of services for people with neurological diseases.

NORTHERN IRELAND

Environmental Pollution

Mr. Donaldson: To ask the Secretary of State for Northern Ireland how many successful prosecutions for environmental pollution there have been by the Health and Safety Executive against operators of illegal gas and oil retailing points in Northern Ireland. [61921]

Mr. Paul Murphy: Responsibility for the subject in question has been delegated to the Environment and Heritage Service under its chief executive, Mr. Robert C. Martin. I have asked him to arrange for a reply to be given.

Letter from Robert C. Martin to Mr. Jeffrey Donaldson, dated 3 December 1998:

As Chief Executive of the Environment and Heritage Service (EHS), I am responsible for the operational aspects of environmental protection. While question No 1259 refers to prosecutions for environmental pollution, it specifically refers to the Health and Safety Executive and retailing issues, and therefore I have been asked to co-ordinate the reply on behalf of Department of Economic Development's Health and Safety Inspectorate and Department of Environment's Local Government Branch.

EHS is responsible for the control of pollution of waterways under the provisions of the Water Act 1972. There have been no reports of pollution from illegal gas or oil retailing points in Northern Ireland and therefore no prosecutions have been taken. Similarly, there are no reports of pollution from illegal petrol retailing points.

The Industrial Pollution Control Order 1997 includes controls on Petrol Vapour Recovery at retailing points. Petrol retailers have until 31 December 1998 to submit applications for registration to District Councils. No prosecutions have been taken.

The Health and Safety Executive is a Great Britain organisation which has no remit in Northern Ireland. The major responsibility for Health and Safety at Work legislation in Northern Ireland lies with the Department of Economic Development under the provisions of the Health and Safety at Work (Northern Ireland) Order 1978. Since this Order does not deal with environmental pollution, the Department of Economic Development is not empowered to prosecute in cases where environmental pollution occur.

District Councils have an enforcement role under the provisions of the Health and Safety at Work Order in relation to retail premises which would include retailing of gas cylinders.

District Councils are also the licencing authority for petroleum retailing. I understand that the information relating to licencing is not held centrally.

I hope this reply is helpful.

FOREIGN AND COMMONWEALTH AFFAIRS

Burma

Mr. Alan Simpson: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy to support the imposition of financial sanctions on the regime in Burma. [62040]

Mr. Fatchett: At the October meeting of the General Affairs Council of the EU, a decision was taken to toughen the EU common position against Burma. At present there is no EU consensus for economic and financial sanctions.

Sri Lanka

Mr. Cox: To ask the Secretary of State for Foreign and Commonwealth Affairs how many applications for entry visas made in Sri Lanka for entry into the United Kingdom have been *(a)* granted and *(b)* refused in the last 12 months. [62182]

Mr. Fatchett: During the period October 1997 to October 1998, the British High Commission in Columbo processed 15,516 visa applications. Of these, 14,846 resulted in the issue of a visa and 670 were refused.

Hinduja

Mr. Chope: To ask the Secretary of State for Foreign and Commonwealth Affairs what grant applications his Department has received from the Hinduja group of companies since 1 May 1997; and what grants have been paid. [62242]

Mr. Fatchett: We have received no grant application from the Hinduja family or their companies since 1 May 1997, nor have we made any grants to them.

Middle East Peace Process

Mr. Tredinnick: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had concerning the Middle East Peace Process; with whom; and if he will make a statement. [62197]

Mr. Fatchett: I refer the hon. Member to the answer given to the House on 1 December 1998, *Official Report*, column 656, by my right hon. Friend the Foreign Secretary.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Accommodation (Homeless People)

Mr. Crausby: To ask the Secretary of State for the Environment, Transport and the Regions if he will take steps to ensure that social landlords offer accommodation to homeless people with drug problems. [61159]

Mr. Raynsford: The White Paper "Tackling Drugs to Build a Better Britain", issued in April 1998, sets out the Government's anti-drugs strategy for the next 10 years. This includes a proposal that senior representatives of local housing authorities are included in the core, multi-agency membership of Drug Action Teams, to ensure that housing initiatives are included in local strategies designed to meet the needs of people with drug problems. In addition, the new body to tackle rough sleeping in London, where the problems are most intense, will put in place a programme of outreach support and

hostels which will target the needs of people with drug problems who sleep rough in the Capital and who are not ready to move directly into a permanent social tenancy.

Under the homelessness legislation, local housing authorities must assist people who are unintentionally homeless and vulnerable because of ill health or other special reason; this includes those who are vulnerable because of drug problems. And in allocating permanent social tenancies, local housing authorities must give reasonable preference to persons with medical or welfare problems, among others. Registered Social Landlords (RSLs) already provide 700 units of supported accommodation specifically for people with drug problems, and also manage a number of hostels for homeless people which provide support for this client group. The Housing Corporation is currently developing good practice guidance for RSLs on strategies for providing residential services to drug users, in conjunction with the United Kingdom Anti-Drugs Co-ordinator.

Council Tax

Mr. O'Hara: To ask the Secretary of State for the Environment, Transport and the Regions what would have been the additional council tax at Band D equivalent of each local authority if they had increased their spending by £100 per person, including all precepts, for 1998–99. [61667]

Ms Armstrong: The information requested has been placed in the Library.

Local Government Finance

Mr. O'Hara: To ask the Secretary of State for the Environment, Transport and the Regions what was the value of the resources top-sliced from the 1998–99 RSG settlement to finance the area cost adjustment. [61668]

Ms Armstrong: The contribution of the area cost adjustment to standard spending assessments for 1998–99 was £1,576 million.

Countryside Access

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions when he plans to publish the Government's analysis of the response to their consultation paper on access to the open countryside in England and Wales; and if he will make a statement. [61642]

Mr. Meacher: I cannot go further than my earlier reply of 9 November 1998, *Official Report*, column *10*, that we intend to do so shortly.

City Challenge

Mr. Vaz: To ask the Secretary of State for the Environment, Transport and the Regions what the final key outputs were for the 11 first-round and the 19 completed second-round city challenge schemes. [61716]

Mr. Caborn: The Department has been noticed as part of the final reporting process, of the key output data, covering the five years of funding for the first and the completed second round City Challenge schemes. The figures, which are subject to verification by the appropriate Government Offices and set out in the table.

	Column 1	*Column 2*	*Column 3*	*Column 4*	*Column 5*	*Column 6*
First round (pacemakers)						
Bethnal Green	2,719	6,948	39	79,114	360	139,000
Bradford	4,432	4,347	46	136,897	196	128,714
Dearne Valley	1,437	4,955	997	64,824	92	95,858
Deptford	10,445	4,425	72	154,223	273	389,556
Hulme	2,215	1,481	65	36,744	96	81,500
Liverpool	743	4,165	14	146,639	378	112,103
Middlesbrough	1,765	3,774	132	28,617	214	30,152
Newcastle	1,922	4,384	70	61,245	261	61,674
Nottingham	8,069	2,585	37	40,566	141	63,725
Wirral	3,107	2,758	62	186,704	213	101,240
Wolverhampton	2,769	3,173	52	108,750	124	85,861
Round 2						
Barnsley	2,496	1,819	158	86,898	226	56,894
Batley	4,955	8,437	279	180,978	125	122,074
Blackburn	3,202	5,446	58	193,346	192	134,056
Bolton	3,172	7,257	73	220,773	291	104,405
Bootle	1,845	6,408	149	194,276	208	147,989
Brixton	7,060	6,528	9	156,454	644	72,777
Dalston	2,933	9,990	35	107,109	574	113,883
Derby	3,793	6,432	44	88,383	214	81,942
Harlesden	416	9,648	45	213,075	635	220,517
Hartlepool	1,980	3,618	65	86,809	194	70,803
Leicester	3,590	2,284	31	47,998	218	102,624
Newton South Aston	3,594	8,323	27	94,875	119	100,114
North Kensington	6,575	3,371	54	16,449	911	64,332
Stockton on Tees	4,190	5,287	187	96,525	225	70,771
Stratford	2,803	4,986	80	89,168	406	144,706
Sunderland	6,776	9,762	496	40,130	224	68,104
Tipton	2,123	1,834	67	27,303	268	75,700
Walsall	3,616	4,391	170	62,796	145	128,658
Wigan	2,292	10,725	123	293,296	386	151,300

Notes:
Column 1 Dwellings complete/improved
Column 2 Jobs created/preserved
Column 3 Land reclaimed/improved (hectares)
Column 4 New/improved business and commercial floorspace (sq. m.)
Column 5 Business start-ups
Column 6 Private sector leverage (£000s)

Aviation

Miss McIntosh: To ask the Secretary of State for the Environment, Transport and the Regions (1) what representations he has received in respect of United Kingdom airlines' access to the United States civil aviation market, with particular reference to rights of *(a)* cabotage and *(b)* ownership of United States airlines; and if he will make a statement; [61795]

(2) what representations he has received on the negotiations on the bilateral air transport relations between the United States and the United Kingdom; and if he will make a statement. [61790]

Ms Glenda Jackson: My Department has received representations from numerous sources in the UK and US about the liberalisation of UK/US air services. The two issues of cabotage and ownership of airlines have featured prominently in the representations from UK-based organisations. The UK hopes to conclude a new liberal agreement with the US which provides genuinely equal opportunities for airlines of both countries.

Sparsity Allowances

Mr. Paul Marsden: To ask the Secretary of State for the Environment, Transport and the Regions (1) if sparsity allowance is included in the social services standard spending assessment of county councils; and if he will make a statement; [61829]

(2) if he will make a statement on the future levels of sparsity allowance for shire counties. [61830]

Ms Armstrong: My right hon. Friend the Deputy Prime Minister made a statement on 2 December 1998, *Official Report*, columns 883–901, about our proposals for Standard Spending Assessments for 1999–2000, including the allowances to be made for sparsity of population. These proposals include, for the first time, a sparsity allowance in the element of the Standard Spending Assessment for social services for the elderly in their own homes.

Air Pollution

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions for what reasons aviation emissions are not covered by international agreements on limiting greenhouse gases. [61897]

Mr. Meacher *[holding answer 2 December 1998]:* Aviation emissions of greenhouse gases are indeed covered by the Climate Change Convention and the Kyoto Protocol. Emissions from domestic flights are covered by UK commitments to reduce greenhouse gases. Emissions from international flights are not "allocated" to individual countries at present but are the subject of separate requirements to take preventive action, particularly through the International Civil Aviation Organisation.

Bus Fuel Rebate Scheme

Dr. Iddon: To ask the Secretary of State for the Environment, Transport and the Regions if he will rebate the tax paid on fuel by Ring and Ride (Greater Manchester Accessible Transport Ltd.) on the same basis as that which applies to commercial bus operators. [62101]

Ms Glenda Jackson: I refer my hon. Friend to the answer I gave to my hon. Friend the Member for High Peak (Mr. Levitt) on 2 November 1998, *Official Report*, column *307*.

Community Transport

Judy Mallaber: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to receive the report commissioned by his Department on community transport. [62110]

Ms Glenda Jackson: The national review of voluntary and community transport has now been completed and a summary of its main findings has been presented this week to delegates at the annual Community Transport conference for their views and comments. The final report will be available early in the New Year.

Channel Tunnel Rail Link

Mr. Snape: To ask the Secretary of State for the Environment, Transport and the Regions how many of the environmental protection measures proposed for the second phase of the channel tunnel rail link between Ebbsfleet and St. Pancras are a specific requirement of the Channel Tunnel Rail Link Act 1996. [62107]

Ms Glenda Jackson: Additional tunnelling in the approach to St. Pancras and at Barking and revised alignment of the track at Thurrock and Rainham were provided partly for environmental reasons and are required by the 1996 Act. Other environmental protection measures may arise from the detailed planning approvals granted under the provisions of the 1996 Act by the local planning authorities.

Mr. Snape: To ask the Secretary of State for the Environment, Transport and the Regions what estimate his Department has made of the value for money of the environmental protection measures included in design for the second phase of the Channel Tunnel Rail Line between Ebbsfleet and St. Pancras; and if he will make a statement. [62108]

Ms Glenda Jackson: We have not sought to make such an estimate, partly because few CTRL works in section two are exclusively for environmental protection, but primarily because there is no reliable means of apportioning costs between environmentally protective and other works.

Eurostar

Mr. Snape: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received since 8 May 1997 from residents near the railway line between the channel tunnel and London concerning noise from Eurostar trains. [62109]

Ms Glenda Jackson: We have received a number of representations from residents near the railway line between the channel tunnel and London concerning noise from the horns of Eurostar trains. I understand from Eurostar that the levels of these horns comply with the rules governing international railway operations and are required by railway safety regulations.

Housing

Mr. Burns: To ask the Secretary of State for the Environment, Transport and the Regions for what reason the Government have decided not to issue an approved code of practice, covering issues raised in Circular 12/92 entitled "Guidance to Local Housing Authorities on Standards of Fitness" under section 352 of the Housing Act 1985; and if he will make a statement. [62122]

Mr. Raynsford: We have decided against introducing an Approved Code of Practice for houses in multiple occupation (HMOs) as we consider that our existing powers do not enable us to produce an effective and workable code that would deliver the standards we want HMOs to achieve in the longer term.

We will be consulting on proposed standards for the licensing scheme we are committed to introduce for HMOs. Once these standards have been agreed we will publish them and issue guidance to authorities on how they might begin to apply them prior to the introduction of licensing.

Mr. Burns: To ask the Secretary of State for the Environment, Transport and the Regions what proposals the Government have to provide a statutory definition of multiple occupation houses following the Barnes *v.* Sheffield City Council case; and if he will make a statement. [62123]

Mr. Raynsford: We hope to issue a consultation document on our proposals for a licensing scheme for houses in multiple occupation (HMOs) early in the New Year. The consultation document will address the issue of HMO definition, with the objective of clarifying the uncertainty that surrounds it following cases such as Barnes *v.* Sheffield City Council.

Mr. Rammell: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the housing developments of over 10,000 homes which his Department has approved for planning purposes since 1985 indicating *(a)* the date of approval and *(b)* the local planning authority. [62070]

Mr. Raynsford: This information is not readily available.

Express Transit, Nottingham

Mr. Geraint Davies: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to make an announcement on funding for the Nottingham Express Transit light rail scheme; and if he will make a statement. [62530]

Dr. Reid: I am delighted to announce today that the Nottingham Express Transit (NET) is to go ahead.

The Government are to provide £167 million of revenue support to Nottingham City Council so it can fund its side of the deal. The NET is an early local authority Private Finance Initiative (PFI) project.

The project is the culmination of years of hard work and is an excellent example of central and local Government working together to bring real benefits to the local community. This is illustrated by our support for this project. Over the next few years the NET will take up a large part of my Department's allocation of resources for local authority PFI projects. We will not be in a position to support similar light rail schemes in this way for the foreseeable future.

As we set out in "New Deal for Transport: Better for Everyone", the transport White Paper published in July, we aim to give local authorities greater input into providing tailored transport solutions. This is reflected in the recently issued draft guidance to help Local Authorities to formulate local transport plans which are a core part of our proposals to deliver integrated transport strategies at the local level.

Public Utilities

Mr. Andrew George: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the need for a national strategy to deal with the disruption caused to local communities when companies seek to lay water, gas, electricity and telecommunication services along essential transport routes. [61313]

Ms Glenda Jackson: As the White Paper "New Deal for Transport: Better for Everyone" makes clear, we intend to consult on options for an incentive system, with penalties, to minimise disruption to all road users, and to encourage improved co-ordination of road works. I expect to begin this process in the New Year.

Sussex Downs Conservation Board

Mr. Gibb: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the future of the Sussex Downs Conservation Board after 31 March 2001. [62121]

Mr. Meacher: We are still giving detailed consideration to the Countryside Commission's formal advice on protecting our finest countryside including the future arrangements for the Sussex Downs Area of Outstanding Natural Beauty. There is a great deal to consider but we hope to announce some conclusions soon. The future of the Board will depend upon the decisions taken.

Uniform Business Rate

Mr. David Heath: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the effects of the uniform business rate on small businesses. [61305]

Mr. Raynsford: In 1995 my Department published a research report "The Impact of Rates on businesses" which indicated that rates were a significantly greater burden for small businesses—those with turnovers of under £100,000—than for larger businesses. As stated in our White Paper "Modern Local Government: In Touch with the People", we are discussing with business representatives the details of a possible scheme to reduce this burden on small businesses.

Swimming Pools

Dr. Lynne Jones: To ask the Secretary of State for the Environment, Transport and the Regions how many

swimming pools are currently operated by each local authority; and what were the corresponding figures *(a)* five years ago and *(b)* 10 years ago. [62375]

Mr. Raynsford: This information is not centrally available.

Disabled People

Mr. Oaten: To ask the Secretary of State for the Environment, Transport and the Regions how many external members of the 18 policy action teams referred to in the Social Exclusion Unit report, "Bringing Britain Together: A National Strategy for Neighbourhood Renewal", represent the interests of disabled people; and if he will make a statement. [62232]

Ms Armstrong: The Policy Action Teams include a cross membership of those who have particular professional expertise in the issues to be addressed, and of those who live or work in poor neighbourhoods. Policy Action Team 4 (Neighbourhood Management) includes a representative from the Leonard Cheshire Foundation. Policy Action Team 16 (Learning Lessons) includes a representative from Business in the Community who is also Chair of the National Disability Council and a member of the Disabled Right Task Force. All the Teams will consult far more widely than their own membership, and will welcome contributions from individuals and groups representing the interests of disabled people.

Domestic Water Customers

Mr. Ruane: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the practice by Thames Water and Welsh Water of disconnecting domestic customers. [62249]

Mr. Meacher: The Government regard it as unacceptable that anyone should be deprived of water supplies to their home because of an inability to pay. The Water Industry Bill, introduced on 25 November, includes provisions which, if agreed by Parliament, would make it an offence to disconnect water supplies to dwellings, schools or hospitals for non-payment of charges.

At present, water companies have powers to disconnect water supplies to homes for non-payment, under the Water Industry Act 1991. Water undertakers are also required to operate a code of practice on debt and disconnection and to have regard to guidance issued by the Director General of Water Services. The Government welcome the reductions in the numbers of customers disconnected in recent years. Nine water companies in England and Wales made no household disconnections for failure to pay water service bills in the first half of 1998–99.

Mr. Ruane: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the Director General of OFWAT for not taking enforcement action against Welsh Water in respect of budget payment units and trickle-flow meters and delays in removing the remaining meters. [62248]

Mr. Meacher: I understand that the Director General of Water Services has told Welsh Water that he requires an undertaking from the company that it will remove any disconnection element from the budget payment units currently installed, including any trickle flow valves, by May 1999. Failing receipt of such an undertaking he will take enforcement action.

Conveyancing

Charlotte Atkins: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to announce the outcome of the Government's review of the home buying and selling process; and if he will make a statement. [62585]

Ms Armstrong: The report of the Government's research into the home buying and selling process will be published on Monday 7 December. At the same time, we will publish a consultation paper setting out a package of proposals for making the process quicker, easier and more efficient. The package will propose action by all the parties involved in the process, but before reaching final conclusions we want to stimulate wide debate about both the problems and the best ways of dealing with them. Copies of the consultation paper will be available from the Vote Office. Copies of the consultation paper and the research report will also be placed in the Library of both Houses.

Land Use Planning

Mr. Watts: To ask the Secretary of State for the Environment, Transport and the Regions what controls he envisages to give effect to the land use planning requirements of the COMAH Directive; and if he will make a statement. [62586]

Mr. Caborn: The Government have today issued draft Regulations to implement the land use requirements of Directive 96/82/EC on the Control of Major Accident Hazards.

Amendments are to be made to the Planning Hazardous Substances consents procedures to implement these provisions of the Directive while maintaining existing health and safety standards where these differ from the Directive. Changes to the Development Plan Regulations will ensure that local planning authorities take account of the requirements of the Directive when drawing up their development plans.

Work Equipment

Mr. Ivan Henderson: To ask the Secretary of State for the Environment, Transport and the Regions what the Government have done to meet the concerns of the plant and equipment hire industry over the introduction of the new Provision and Use of Work Equipment Regulations 1998. [62787]

Mr. Meale: As my hon. Friend knows, I met recently with the hon. Members for Banbury (Mr. Baldry) and for Eastleigh (Mr. Chidgey) and representatives of both hire and lease companies and the construction industry. I am grateful to the hon. Members for helping to facilitate what was a very useful meeting. I am grateful also to many Members of the House who have written to me about this issue and for the very helpful advice I received from the Health and Safety Commission. At the meeting we agreed a practical way forward within the law which is acceptable to the industry and which will allow companies to meet their duties. Representatives of the plant and equipment hire industry and other trade associations have

now agreed with HSE that hire companies should prepare an action plan in which they will identify the mobile work equipment that needs to be modified or adapted to comply with the new requirements of the Directive. They will also need to prioritise within the action plan the modifications which are needed, according to risk, and ensure that the new requirements are met.

Guidance has been produced for duty holders which explains what they will need to do to comply with Regulations 26 and 27 of the Provision and Use of Work Equipment Regulations 1998. I will arrange for a copy of this guidance to be placed in the Library of this House.

I have asked the Health and Safety Commission to keep the situation under close review.

SOCIAL SECURITY

Lone Parents

Mrs. Fyfe: To ask the Secretary of State for Social Security if a single parent claiming income support will be able to have one interview to cover New Deal, income support, housing benefit, Child Support Agency and other benefit-related matters. [60873]

Angela Eagle: Personal advisers working in the New Deal for Lone Parents already offer lone parents on Income Support a comprehensive package of support and advice.

The DSS and the London Borough of Camden are already working together to pilot new arrangements for lone parents.

From June 1999 we will also pilot a more integrated service through the Single Work Focused Gateway. This will start in four areas from June, with a further eight pilots from November 1999.

At initial contact if appropriate an interview will be arranged within three working days usually held at the office. The interview will be conducted by a personal adviser who will provide a balanced package of work focused help and financial support. The adviser will be able to access information on the options available and provide a personalised calculation of potential in-work income including tax credits. Information on Housing Benefit and Child Support issues will be available at this point of entry.

Child Support Agency

Mr. Bob Russell: To ask the Secretary of State for Social Security what valuation is made of *(a)* a company car and *(b)* a company grant for an employee to acquire a car for company business, in formulating CSA payments. [60858]

Angela Eagle: The value of a company car is not taken into consideration in determining the income of either parent under the maintenance formula.

The treatment of an allowance paid by an employer for the purchase of a car will depend on the intended use. Where it is for business purposes only, the whole allowance will be ignored in determining income. Where there is a degree of private use, the amount taken into account will be that portion of the allowance which it is considered covers the parent's private usage.

The Green Paper "Children First—a new approach to child support" (Cm 3992) published on 6 July sets out our proposals for a new child support scheme, including a simpler definition of what counts as income.

Benefit Take-up

Mr. Wigley: To ask the Secretary of State for Social Security what steps he is taking to encourage the take up of *(a)* housing benefit, *(b)* income support, *(c)* family credit and *(d)* council tax benefits. [61472]

Angela Eagle: We want all those who are entitled to benefits to claim them, and we are taking action to encourage them to do so.

All local authorities are under a Statutory duty to publicise and promote maximum take-up of Housing Benefit and Council Tax Benefit. This Department provides guidance and advice to authorities to help them maximise the effectiveness of take-up campaigns and we will continue to do so. Take-up rates for Housing Benefit and Council Tax Benefit are already consistently high.

We have recently completed research into why some pensioners do not claim their Income Support entitlement, and a series of pilots to test ways of identifying them and encouraging them to claim. We are currently evaluating the results before deciding how best to proceed.

From June to August 1998 we conducted a national advertising campaign to encourage take up of working benefits including Family Credit. This included advertising on television, radio and in women's magazines. Additionally, all lone parents whose children are over 5 years old are now invited for interviews and advised as to the availability of working benefits and provided with any help needed to claim their entitlement. These initiatives supplement the ongoing provision of information leaflets and advice through the Family Credit helpline.

Disabled Students

Mr. Wigley: To ask the Secretary of State for Social Security how many *(a)* part-time and *(b)* full-time students have been in receipt of (i) disability living allowance, (ii) severe disablement allowance, (iii) disabled student allowance and (iv) other disability-related benefits in each of the last five years for which figures are available. [61468]

Mr. Timms: The information on the number of part time or full time students in receipt of disability living allowance, severe disablement allowance or other disability related benefits is not readily available and could be obtained only at disproportionate cost.

Information on Disabled Student Allowance is not available in the form requested. Such information as is available is in the table.

The number of disabled students' allowances made by local education authorities in England and Wales as part of mandatory awards in the academic years 1992–93 to 1996–97

Academic year	Number of awards
1992–93	2,490
1993–94	4,050
1994–95	5,320
1995–96	6,550
1996–97	8,120

Notes:
1. The Disabled Students Allowance forms part of the mandatory award. There are three separate allowances—that for specialist equipment; for non-medical helpers; and the general Disabled Students Allowance. Mandatory awards are payable to personally eligible students attending full-time or sandwich courses leading to a first-degree or comparable qualification. DipHE or HND courses and postgraduate courses of initial teacher training.
2. The table shows the number of awards, not the number of students. Students can receive more than one type of disabled students allowance.
3. The table shows the number of awards made by local education authorities to students normally domiciled in their area (in England and Wales).
4. The number of awards is rounded to the nearest 10.
5. Information for 1996–97 is the latest available.

Back-to-work Bonus

Jackie Ballard: To ask the Secretary of State for Social Security how many claimants have *(a)* received and *(b)* been refused the back-to-work bonus. [61913]

Angela Eagle: The information is in the table.

Back to Work Bonus statistics

	All claimants
Claimants with an accrued bonus at the end of October 1998[1]	150,000
Number of bonus payments made from October 1996 to October 1998	81,000
Total amount of bonus payments made from October 1996 to October 1998	£20,574,000
Number of cases where a claim for a Bonus payment was unsuccessful, up to October 1998[2]	31,000

[1] Live claims on ISCS and JSAPS with a bonus accrual plus claims which have ended with a bonus accrual but no bonus payment has been made (claimants who return to benefit within 12 weeks and have not claimed a bonus retain the amount accrued during the previous claim).
[2] Reasons for unsuccessful claims include: No Back to Work Bonus amount had accrued; the claim for a Bonus payment was received outside the limit of 12 weeks for making a claim.
Note:
Data based on information held on the Income Support Computer System (ISCS) and the Jobseeker's Allowance Payment System (JSAPS). No clerically processed claims included. Excludes JSAPS activity for November 1996. Numbers are rounded to the nearest thousand.
Source:
Back to Work Bonus management information statistics.

Welfare Reform

Mr. Field: To ask the Secretary of State for Social Security when the Government expect to publish their response to the submissions made on the Green Paper on Welfare Reform. [61797]

Mr. Denham: The Green Paper on Welfare Reform set out a clear philosophy for the welfare state. "Work for those who can, security for those who cannot" is the foundation of our programme. It received overwhelming support. The public's response demonstrated first a widespread recognition of the need for welfare reform, and secondly, endorsement of our approach. We are now responding by putting those principles into practice.

On 28 October, we published three documents, "A new contract for welfare: Principles into Practice", which set out the significant progress that has already been made on welfare reform; "A new contract for welfare: Support for Disabled People", which set out detailed proposals to reform benefits for people with a long-term illness or disability; and "A new contract for welfare: The Gateway to Work", which set out plans for a single gateway to the welfare system.

We also published on 18 November "A new contract for welfare: Support in Bereavement" which set out proposals to reform bereavement benefits.

As announced in the Queen's Speech, we will introduce a Welfare Reform Bill in the current session. We will make further announcements in due course.

Contributions Agency Computer

Mr. Whittingdale: To ask the Secretary of State for Social Security when he expects the backlog of cases caused by the failure of the Contributions Agency computer to be cleared; and if he will make a statement. [61936]

Mr. Timms: The NIRS2 computer system is a large and complex system and there have been some delays and problems in its introduction, which the House was made aware of on the 5 November.

Backlogs of work have built up in both the Contributions Agency and the Benefits Agency as a consequence of the delays and problems with NIRS2. Both Agencies however, invoked contingency arrangements wherever possible to reduce the effect on customers.

The Contributions Agency and the Benefits Agency are working together to develop plans to clear backlogs as the new systems facilities become available, staff are able to address the backlogs caused by the absence of those facilities. For example, the backlog of requests for data protection printouts has been eliminated since 18 November 1998. It is not yet possible, however, to predict with certainty the date when all the backlogs will be cleared.

British Pensioners (Overseas)

Sir Teddy Taylor: To ask the Secretary of State for Social Security which Commonwealth nations have negotiated reciprocal arrangements to enable British pensioners living abroad to receive annual increases; and if he will make a statement on reciprocal arrangements with Kenya. [62035]

Mr. Denham: Pensioners living in the following Commonwealth countries receive annual UK State Pension increases: The Bahamas, Barbados, Cyprus, Jamaica, Malta and Mauritius. There is no reciprocal Social Security agreement between the UK and Kenya.

Family Credit

Mr. Webb: To ask the Secretary of State for Social Security what was the source for her estimate in

her answer of 16 November 1998, *Official Report*, column 592, that in 50 per cent. of couples receiving family credit the main earner is female. [62246]

Angela Eagle: The Family Credit Quarterly Statistical Enquiry for May 1998 shows that of the 767,000 families receiving Family Credit, 59 per cent. (452,000 families) have a female main earner.

Note:

Figures are rounded to the nearest thousand.

Source:

Family Credit Quarterly Statistical Enquiry May 1998 (5 per cent. sample of awards).

Ministerial E-mail Address

Mr. Brake: To ask the Secretary of State for Social Security what is his e-mail address. [62567]

Mr. Darling: Ministers may be contacted at the following address: ministers@ade006.dss.gov.uk.

Child Support

Mr. MacShane: To ask the Secretary of State for Social Security when he will publish the Chief Child Support Officer's Annual Report for 1997–98. [62587]

Angela Eagle: The Annual Report of the Chief Child Support Officer (CCSO) for the year 1997–98 is published today. The Report highlights the damaging effect of the excessive complexity of the current maintenance formula.

We are determined to address the problems which the CCSO has identified by tackling the root causes of inaccuracy in child support assessments. The Child Support Agency has already begun to improve the way that it collects information by making greater use of the telephone, actively managing self-employed cases and by freeing local staff to allow more face-to-face contact with parents. The provisions in the 1998 Social Security Act which streamline and simplify the decision making process will be implemented in the Child Support Agency from June 1999. These changes will support further work in the Agency to improve the service that it offers to all its clients.

The proposals for reform will result in a radically simpler system which focuses on a rapid, transparent, and accurate assessment of liability. Improving standards of service is central to our proposed reforms and we are committed to avoiding the complexity which results in the problems identified by the CCSO.

WALES

Jobseeker's Allowance

Mr. Wigley: To ask the Secretary of State for Wales how many 18 to 24 year olds in Wales have lost their jobseekers allowance as a result of refusing all four options in the New Deal. [61469]

Mr. Hain: Up until the end of October 1998, out of a total of almost 12,000 young people who entered the New Deal Gateway in Wales, 95 young people have had their jobseekers allowance temporarily suspended because, without good cause, they failed or refused to start a New Deal option or left an option early, or because they were dismissed from a New Deal option due to misconduct.

Prescription Claims

Mr. Denzil Davies: To ask the Secretary of State for Wales what action he has taken to refund to the claimants for prescription payment certificates the additional amounts due to them following the acceptance by the Treasury Solicitor in Case No. LIC01071 between R. M. Wordley and the Welsh Office (Treasury Solicitor Ref. L96/8316H JBM/LS) of Mr. Wordley's interpretation of Regulation 9 of S.I., 1989, No. 419 as amended. [61831]

Mr. Jon Owen Jones: There are no outstanding claims for payment. The case of Wordley *v.* Secretary of State for Wales was settled in February 1997, without admission of liability.

Rheumatoid Arthritis

Mr. Öpik: To ask the Secretary of State for Wales what resources his Department provides to Dyfed Powys Health Authority for the treatment of rheumatoid arthritis; and if he will make a statement. [61914]

Mr. Jon Owen Jones: In 1998–99 Dyfed Powys received £237.8 million in discretionary resources, £8.4 million, or 3.6 per cent. more than in 1997–98. It is a matter for the health authority to determine how these funds should be used to provide an appropriate range of health services to its resident population, taking into account the pattern of local health need.

Mr. Öpik: To ask the Secretary of State for Wales (1) what the average provision of rheumatologists per hundred thousand people is for Welsh health authorities; and if he will make a statement; [61916]

(2) how many rheumatologists are employed by the Dyfed Powys Health Authority; and if he will make a statement. [61915]

Mr. Jon Owen Jones: Information on hospital medical staff directly employed by the NHS in Wales is collected in an annual census relating to staff in post at 30 September. Health authorities do not directly employ hospital medical staff. The number and rate of rheumatologists employed by NHS trusts, grouped by health authority ares, are shown in the following table. It should be noted, however, that health authorities are free to purchase services from any health provider.

	Consultants		*Other staff*[1]		*Total*	
	Number[2]	*Rate*[3]	*Number*[2]	*Rate*[3]	*Number*[2]	*Rate*[3]
Health authority area						
Bro Taf	3.9	5.3	7.3	9.9	11.2	15.2
Dyfed Powys	0.3	0.6	0.1	0.2	0.4	0.8
Gwent	2.4	4.3	2.0	3.6	4.4	7.9
Morgannwg	2.4	4.8	1.5	3.0	3.9	7.8
North Wales	3.0	4.6	1.7	2.6	4.7	7.2
Wales	12.0	4.1	12.6	4.3	24.6	8.4

[1] Includes other grades of staff involved in clinical work

[2] Whole-time equivalents

[3] Due to small overall numbers figures are shown per 1,000,000 population

Mr. Öpik: To ask the Secretary of State for Wales what plans he has to review the current provision of care for sufferers from arthritic conditions; and if he will make a statement. [61917]

Mr. Jon Owen Jones: The provision for the care of those suffering from arthritic conditions is the responsibility of health authorities whose responsibility it is to assess the needs of their local population and provide appropriate services to meet them while taking account of their resources, priorities and other pressures.

Assembly Reporting

Ms Lawrence: To ask the Secretary of State for Wales what proposals he has for the record of the National Assembly for Wales. [62797]

Mr. Michael: I will publish tomorrow a consultation paper which sets out our proposals on the timing of the production of the report, which will be called "The Daily Journal"; its translation into and from the Welsh language; the method of publication; standards and archiving. In line with our policy of inclusivity I want to ensure that the record reaches as wide an audience as possible and we want to learn of people's thoughts on how best to make the Record available to the people of Wales.

Copies of the Paper will be placed in the Library as soon as possible.

Water Disconnections

Mr. Ruane: To ask the Secretary of State for Wales if he will make a statement on the levels of disconnections by Welsh Water; and if he will encourage those water companies that do not have them to establish charitable or hardship funds. [62250]

Mr. Jon Owen Jones: Since the privatisation of the water industry in 1989, there has been a general decline in the number of water supply disconnections made by Dwr Cymru Welsh Water. In 1991–92 the number of household disconnections was 2,938 as compared to 160 in 1997–98.

The issue of disconnection formed part of the Government's recent review of the water charging system in England and Wales which proposed the prohibition of the disconnection of household water supplies for non-payment of charges. The Government have decided to proceed with this proposal. Clause 1 of the Water Industry Bill, which will have its Second Reading in the House on Monday 7 December, provides for this prohibition through an amendment to section 61 of the Water Industry Act 1991.

The development of charitable trusts by water companies is strongly supported by the Government as they provide invaluable support to customers in genuine need. The Government will continue to encourage action by companies to assist those customers who experience difficulties in paying their charges, not only through charitable trusts, but also through the design of tariffs and through helping customers reduce their bills and economise on water use.

Housing Associations

Mr. Ruane: To ask the Secretary of State for Wales which housing associations in Wales *(a)* do and *(b)* do not participate in mutual aid development on their estates. [62274]

Mr. Jon Owen Jones: Mutual aid development refers to the activities known as "housing plus" or sustaining communities. The Welsh Office sets "Regulatory Requirements", which are the standards that housing associations must work to. They state:

"Associations should help to safeguard their tenants' quality of life by providing support to communities which help protect the interests of existing neighbours or tenants or contribute to the prevention or reversal of social decline".

Our experience at audit of housing associations is all are engaged in a range of such projects, some more extensively than others. We have encouraged associations to increase this work in the future as part of the Government's agenda to tackle social exclusion.

Tai Cymru issued in September 1998 a report on "Sustainable communities for the future" which gave many examples of good practice in this area and made recommendations for future action.

Mr. Ruane: To ask the Secretary of State for Wales how many housing association development workers are employed by each housing association in Wales. [62275]

Mr. Jon Owen Jones: This information is not held centrally but we believe all associations employ development workers. Some Associations employ specific officers to carry out this work while others use generic staff who provide this function alongside their housing management role. We believe both approaches can be equally effective.

AGRICULTURE, FISHERIES AND FOOD

Methyl Bromide

Mr. Flight: To ask the Minister of Agriculture, Fisheries and Food what plans Her Majesty's Government have *(a)* to ban the use of methyl bromide as a chemical agent for the purposes of sterilising soil and grain stores and *(b)* to ensure that a replacement product is available. [61180]

Mr. Rooker: The Government are bound by the timetable laid down in the Montreal Protocol to reduce or phase-out substances such as methyl bromide which deplete the ozone layer. The Protocol was last amended in September 1997 when it was agreed, for developed countries, to cut production and use of methyl bromide by 50 per cent. by 2001, 70 per cent. by 2003 and phase out by 2005. The Protocol exempts quarantine and preshipment treatments. All member states of the European Union are signatories to the Protocol, which is currently implemented through Council Regulation (EC) 3093/94.

The European Commission has proposed a draft Regulation imposing a more stringent timetable to cut production and phase-out methyl bromide which is under discussion.

Impact Studies have been commissioned by MAFF and DETR on the effect of phase-out in the horticultural, food commodity and structures sectors. Methyl Bromide is an efficient fumigant and for some purposes such as soil sterilisation and the disinfestation of flour mills, there are no ready, single alternatives. A LINK research project to consider alternatives for the horticulture sector commences in April next year. Two further LINK projects covering commodities and structural fumigation are currently under consideration.

Policy responsibility for negotiations and implementation of the Protocol within the UK rests with my right hon. Friend the Deputy Prime Minister and Secretary of State for the Environment, Transport and the Regions. Further information about the impact of phase out of methyl bromide on the horticulture industry can be found in the ADAS reports "A Review of Methyl Bromide Use in Horticulture (1996)" and "Withdrawal of Methyl Bromide—summary of principle cost implications for UK horticulture (1998)", both of which were commissioned by my Department. (Copies of both reports are available from ADAS or MAFF—Horticulture and Potatoes Division.)

Pet Quarantine

Ms Perham: To ask the Minister of Agriculture, Fisheries and Food what plans he has to introduce a parallel system for pet quarantine to cover North America. [60863]

Mr. Rooker: Pet Animals arriving from North America are already subject to the same regime as animals arriving from anywhere else outside the British Isles. The Advisory Group on Quarantine has recommended that quarantine should be replaced for cats and dogs leaving the UK and returning after visits to the European Union and European Economic area countries, and rabies-free islands in the rest of the world; quarantine would also be replaced for cats and dogs entering the UK from such countries. Quarantine would be retained for cats and dogs coming into the UK from other countries. The Government will propose a specific way forward on the Advisory Group's recommendations after the public consultation on the Group's report ends on 31 December 1998.

The Advisory Group recommended that further consideration be given to the risks arising from allowing cats and dogs from North America into Great Britain without undergoing quarantine. This study is underway.

BSE

Mr. Pickthall: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the progress of the attack rate experiment examining the dose of BSE-infected cattle brain necessary to transmit BSE orally between cattle; and what evidence the experiments have produced on the relationship between the incubation period and the size of the dose. [61558]

Mr. Rooker: In the so called attack-rate experiment, to determine the minimum amount of BSE-infected cattle brain required to infect cattle by the oral route and the effect dose size may have on the incubation time, groups of 10 cattle were deliberately infected at four months of age by feeding them with either 300, 100, 10 or 1 gram of BSE infected brain tissue. The cattle were then observed for the development of disease and killed when judged to be positive by clinical signs. Diagnosis of BSE was confirmed by examination of the brain post-mortem.

The experiment has now been running for 7 years and transmission of BSE has been accomplished with all four different doses of brain. All 10 animals in each group dosed with 300 or 100 grams of brain have been positively diagnosed with incubation periods ranging from 32–42 months and 32–60 months respectively. Seven of the 10 animals in each group dosed with 10 or 1 gram have been positively diagnosed with incubation periods ranging from 44–71 months and 45–71 months respectively. One animal died early from other causes not related to BSE in the group that received 10 grams of brain. All the remaining animals from the groups that received 10 or 1 gram of brain are now showing early clinical signs consistent with BSE.

The results indicate that cattle can be infected by the oral route down to a level of 1 gram of BSE infected cattle brain and that incubation period appears to be prolonged at lower doses.

The experiment has since been extended and groups of cattle have now been challenged with either one, one tenth, one hundredth or one thousandth of a gram of the same infected cattle brain used previously. The experiment has been running for 11 months and all animals are still clinically normal. It is hoped that this phase of the experiment will define the minimum dose of brain required to infect cattle and provide further information relating to the effect on incubation period relative to the infecting dose.

Deer Management

Mr. Martyn Jones: To ask the Minister of Agriculture, Fisheries and Food if he will list the agenda items for discussion at the meeting between the Director General of the Forestry Commission and the Chair of the Commissioners of the Forestry Commission, and the Quantock Staghounds on 4 December; and if he will make a statement. [62033]

Mr. Morley: The Chairman and the Director General of the Forestry Commission are meeting representatives of the Quantock Staghounds to hear their views on issues relating to deer management. There is no formal agenda, but the meeting will take account of the Commission's decision not to renew the Staghounds' licence to hunt over Commission land, and also the recent Harris report on stag hunting.

Scallops

Mr. Derek Twigg: To ask the Minister of Agriculture, Fisheries and Food what plans have been made to introduce measures to secure scallop stock conservation. [62675]

Mr. Morley: Following issue of a consultative paper in June this year and careful consideration of the responses, it has been decided to proceed with the introduction of specific licensing arrangements for over 10 metre vessels fishing for scallops using mechanical dredging gear.

Permission to fish for scallops with mechanical dredging gear will be granted where vessel owners can demonstrate that they currently hold licences with a history of having caught a minimum of 1 tonne of scallops

by this method in any calendar year during the period 1 January 1994 to 31 May 1998. The users of mechanical dredging gear will be required to complete a logbook for all fishing trips during which scallops are caught. Where licences are aggregated, the permission to fish for scallops with mechanical dredging gear will only be given if all the donor licences carried that permission.

These arrangements are planned to take effect from 1 April 1999 and will be reviewed after 2 years in the light of experience. The review will take account also of progress towards the development of more precisely targeted conservation measures.

A number of respondents to the consultation exercise proposed that scallop licensing should be introduced for vessels of 10 metres and under. This will be considered as part of broader management arrangements for these vessels. However, I should make it clear that if scallop licensing were to be introduced in this context, the reference period for determining eligibility would also be 1 January 1994 to 31 May 1998.

Fisheries Departments will be writing to all owners of over 10 metre vessels setting out the criteria for qualification for a licence and inviting applications. The letter will also deal with the arrangements for considering applications from those who do not meet the qualifying criteria but who have made a financial commitment to invest in a scallop vessel, gear or licences for aggregation onto a scallop vessel prior to 31 May 1998.

HOUSE OF COMMONS

Millennium Bug

Ms Oona King: To ask the President of the Council if she will make a statement on the progress being made by central Government departments and agencies and the wider public sector in tackling the millennium bug. [62174]

Mrs. Beckett: I refer my hon. Friend to the statement I made yesterday in the House on 2 December 1998, *Official Report*, columns 902–16. I have also place copies of the latest quarterly returns from Departments, agencies and key organisations from the wider public sector in the Library and on the Internet (http://www.open.gov.uk/year2000).

TRADE AND INDUSTRY

Tanning Shop Franchises

12. **Mr. Campbell-Savours:** To ask the Secretary of State for Trade and Industry how many letters he has received in respect of the treatment by the *(a)* National Westminster Bank and *(b)* Lombard Banking of the Tanning Shop franchise customers. [61306]

Mrs. Roche: No letters have been received by this Department in respect of the treatment by either the National Westminster Bank or Lombard Banking of the Tanning Shop franchise customers although the former Minister for Competition and Consumer Affairs, my hon. Friend the Member for Edinburgh, South (Mr. Griffiths) received a letter from my hon. Friend on 12 December about The Tanning Shop Ltd.

Manufacturing Competitiveness

13. **Mr. Brady:** To ask the Secretary of State for Trade and Industry if he will make a statement on manufacturing competitiveness. [61309]

Mr. Mandelson: We recognise the difficulty that the downturn in the world economy is causing certain sections of our manufacturing industry and exporters. However, not all is doom and gloom. We believe that the tough and decisive action this Government have taken is creating the conditions for stability necessary to build Britain's long-term prosperity. And as the Government's Competitiveness White Paper will show, we are taking measures to stimulate greater enterprise, innovation and exploitation of knowledge, all of which will underpin Britain's competitiveness into the new Millennium.

Science (Government Spending)

14. **Mr. Andy King:** To ask the Secretary of State for Trade and Industry what has been the average annual increase in total Government spending on science over the last 20 years. [61310]

Mr. Battle: Information before 1986–87 is not available in the terms requested. The average real terms annual change in total Government spending on Science Engineering and Technology over the 12-year period 1986–87 to 1997–98 was a decrease of £128 million at 1997–98 prices. This excludes National Health Service SET expenditure for which information has been available only since 1995–96.

Electronic Commerce

15. **Ms Southworth:** To ask the Secretary of State for Trade and Industry what progress is being made in assisting small businesses to increase their use of electronic communications. [61311]

Mrs. Roche: Electronic Communication—in particular e-commerce over the Internet—allows every small business in the UK to compete on the world stage. The Government's aim is to make the UK the best environment in the world for e-commerce by 2002. And we need to help small businesses grasp the opportunities this opens up. International benchmarking studies commissioned by the department show that only 11 per cent. of UK small businesses regularly use external electronic networking technologies such as the Internet. The White Paper on competitiveness which we will be publishing shortly will set out our strategy to increase this number significantly.

Fiona Mactaggart: To ask the Secretary of State for Trade and Industry if he will make a statement on how he intends to promote successful electronic commerce. [61324]

Mrs. Roche: The Government's strategy for electronic commerce will be set out in the White Paper on Competitiveness which we will be publishing shortly. As my right hon. Friend the Secretary of State announced to the House on 25 November 1998, *Official Report*, column 217, the Prime Minister will be appointing a Digital Envoy to drive this strategy forward.

Scientific Research

16. **Mr. Bayley:** To ask the Secretary of State for Trade and Industry what steps he is taking to ensure that British scientific research contributes to economic prosperity. [61312]

Mr. Mandelson: The development and commercial exploitation of scientific research is fundamental to a prosperous knowledge-driven economy.

Important steps have already been taken such as:

£1.4 billion additional funding for science;

the launch earlier this year of University challenge to help universities turn good research into good business;

measures to promote collaborative partnerships such as LINK;

the creation, of a £25 million Science Enterprise Challenge announced in my right hon. Friend's the Chancellors Pre-Budget Statement.

My forthcoming Competitiveness White Paper will address this important issue and build on these measures.

Supermarket Retailing

17. **Mr. Breed:** To ask the Secretary of State for Trade and Industry when he expects to receive the Office of Fair Trading report into supermarket retailing. [61314]

Mr. Mandelson: The decision to undertake a study of supermarket profitability was taken independently by the Director General of Fair Trading. It is a matter for him how and when he makes his findings public. I understand that he hopes to complete preliminary investigations early in the new year.

Textile Industry

18. **Mr. Gordon Prentice:** To ask the Secretary of State for Trade and Industry what steps he is taking to support the United Kingdom's textile industry. [61315]

Mr. Battle: DTI provides a wide range of support to the UK's textiles, clothing and footwear industries. Currently the Department is supporting 22 projects aimed specifically at raising the profile of the sector and improving its competitiveness.

Foreign-owned Industries

19. **Mr. Pickthall:** To ask the Secretary of State for Trade and Industry what measures he is taking to ensure that DTI grants helping foreign-owned industries to move into the north-west do not disadvantage existing indigenous industries. [61316]

Mrs. Roche: Displacements are a primary factor when considering grants for mobile investments. There is no national benefit in supporting a project which simply knocks out equivalent employment in competing businesses.

Policy Decisions

20. **Dr. Gibson:** To ask the Secretary of State for Trade and Industry what plans his Department has for the solicitation of scientific advice in order to facilitate policy decision making. [61317]

Mr. Battle: DTI has in place a number of procedures and mechanisms to ensure that the appropriate scientific advice is sought and used to inform policy making in line with the Guidelines on "The Use of Scientific Advice in Policy Making". These mechanisms include, for example, the use of in-house experts, independent advisory committees and expert research or technical advice. The Office of Science and Technology carried out a review of how Departments were implementing the Guidelines, and the Chief Scientific Adviser published a report last July which showed that good progress was being made. A further review will be undertaken next year.

Manchester United

22. **Mr. Skinner:** To ask the Secretary of State for Trade and Industry when he expects to receive the decision of the Monopolies Commission regarding the sale of Manchester United football club; and if he will make a statement. [61319]

Mr. Mandelson: The Monopolies and Mergers Commission is due to deliver its report on BSkyB's proposed acquisition of Manchester United to me by 12 March 1999.

Small and Medium Enterprises

23. **Mr. Gareth Thomas:** To ask the Secretary of State for Trade and Industry what steps he has taken to establish networks of research-oriented small and medium enterprises. [61320]

Mrs. Roche: From the day it was elected, this Government have striven to encourage better networking by research-oriented SMEs. Very often, such firms possess real talent and innovative ideas; it is our aim to encourage them to learn from each other, and from a wider canvas of expertise, how best to bring their research to market.

I recognise and welcome the industrial forums that have been established in Wales and commend them to other parts of the country.

One of the earliest actions of this Government, following the 1997 election, was to announce the establishment of the first four Faraday Partnerships in the UK.

Each Faraday Partnership is a collaborative network between one or more universities, one or more independent research and technology organisations and a group of up to 30 firms, focusing especially on small and medium-sized firms.

At regional and local level, numerous semi-formal groupings exist, usually facilitated by Government Office, Business Links or universities and research organisations. Many such groups have been established as a result of the work of the team of 13 regional industrial secondees working in the DTI's Innovation Unit, who in turn collaborate with local providers to identify suitable topics for networking.

Particular emphasis has been given to encouraging smaller firms to understand the outcomes of the Foresight process. Many high-technology small firms are nowadays key to Britain's industrial capability—in topics such as software and aspects of biotechnology. Keeping these

firms aware of the directions that science and technology are taking in our universities is a fundamental role of networks.

28. **Mrs. Ann Winterton:** To ask the Secretary of State for Trade and Industry if he will make a statement on his Department's work in supporting small and medium enterprises. [61325]

Mrs. Roche: Small and medium-sized businesses are crucial to a successful enterprise economy and the Government are firmly committed to stimulating the creation, competitiveness and growth of new and smaller businesses.

The key principles underlying the Government's approach include fostering an enterprise culture that encourages innovators and risk takers; providing and maintaining a supportive economic environment; identifying and removing barriers to growth; and providing high quality business support for firms at all stages of their development. The Government also work within the European Union to help to further these aims throughout Europe.

Mr. Dismore: To ask the Secretary of State for Trade and Industry if he will make a statement on support for small businesses in London. [61303]

Mrs. Roche: A full range of support is available to SMEs in London through TECs, Business Links, Chambers of Commerce, Enterprise Agencies and others. The structure of business support in London is, however, being reviewed to ensure that it is fully effective in meeting the needs of companies.

Government Chemist

24. **Ms Stuart:** To ask the Secretary of State for Trade and Industry what assessment he has made of the performance of the Government Chemist in meeting his statutory responsibility. [61321]

Mr. Battle: Good chemical analysis makes a considerable contribution to our quality of life and our industrial competitiveness. I am satisfied that the Government Chemist is discharging his role as statutory function in a satisfactorily manner. This view is endorsed by the Royal Society of Chemistry and other Government Departments for which the Government Chemist provides analysis and advice.

I have just received the Government Chemist's second annual report and copies will be placed in the Library.

Energy Supply

25. **Mr. Paul Clark:** To ask the Secretary of State for Trade and Industry what plans he has for maintaining diversity of long-term energy supply in the United Kingdom. [61322]

Mr. Battle: We set out the Government's plans in the White Paper, Conclusions of the Review of Energy Sources for Power Generation and Government Response to fourth and fifth Reports of the Trade and Industry Committee (Cm 4071), published on 8 October 1998.

Minimum Wage

26. **Mr. Corbyn:** To ask the Secretary of State for Trade and Industry what representations he has received concerning the youth rate of the national minimum wage; and if he will make a statement. [61323]

Mr. Ian McCartney: The Government have received a number of representations about the national minimum wage youth rate.

The setting of a different rate for young people reflects the importance we attach to their training, development and education and to helping them to secure jobs. International research shows that where minimum wages have an adverse impact, if falls disproportionately on young people. That is why most countries which have minimum wage legislation have exemptions and lower rates for young people.

Mr. Wilkinson: To ask the Secretary of State for Trade and Industry what discussions he has had with the Chancellor of the Exchequer concerning the implications for the competitiveness of British industry of the minimum wage. [61022]

Mr. Ian McCartney: The competitiveness of British industry is regularly discussed during meetings Ministers have with the Chancellor of the Exchequer.

The national minimum wage will help improve relationships at the workplace and produce improvements in work force commitment, morale, and performance. It should contribute to raising industry's competitiveness by reductions in staff turnover and absenteeism. This should result in improved productivity, which will benefit individual companies and the economy as a whole.

Working Time Directive

29. **Mr. Steen:** To ask the Secretary of State for Trade and Industry how many small businesses he estimates will face increased overheads as a result of the Working Time directive. [61326]

Mr. Ian McCartney: There was no specific assessment of the increased overheads faced by small businesses, but we do not think small businesses will be disproportionately affected because of their size. An assessment for the whole of British industry was made, a copy of which is held in the Library.

The Government have endeavoured to minimise costs and burdens on business in line with proper implementation of the Directive. These measures will provide workers with proper rest and help combat stress and illness amongst workers. With the CBI estimating £25 billion lost in 1996 due to absenteeism they also make good business sense.

Millennium Dome

33. **Mr. Ian Bruce:** To ask the Secretary of State for Trade and Industry what measures he has put in place to ensure that Ministers dealing with sponsorship for the millennium dome do not deal with competition issues affecting those sponsors. [61331]

Mr. Mandelson: The New Millennium Experience Company is responsible for procuring and negotiating sponsorship for the Millennium Experience project.

34. **Ms Ward:** To ask the Secretary of State for Trade and Industry if he will make a statement on the level of sponsorship for exhibits within the millennium dome. [61332]

Mr. Mandelson: The £120 million confirmed sponsorship raised by the New Millennium Experience Company so far covers 8 exhibit zones within the Dome, some associated National Programme strands, and Baby Dome. The exhibit zones are Communicate (BT); Body (Boots The Chemist); Work (Manpower); National Identity (Marks and Spencer); Learn (Tesco); Global (BAA and British Airways); Mind (British Aerospace and GEC); and Transaction (Corporation of London subject to matching funding by City Institutions). The National Programme strands are Future Talk (BT); Our Town Story (McDonald's); National Skills Festival 2000 (Manpower); Children's Promise/Voices of Promise (Marks and Spencer); and Tesco Schoolnet 2000. Baby Dome is being sponsored by Sky. Camelot, the official ticket distributor, is also an official partner sponsor.

35. **Mrs. Laing:** To ask the Secretary of State for Trade and Industry what estimate he has made of the numbers expected to visit the millennium dome in its first year. [61333]

Mr. Mandelson: The New Millennium Experience Company (NMEC) is charged by the Government and the Millennium Commission with developing the Millennium Experience project and operating it for one year. The NMEC estimate that 12 million people will visit the Millennium Experience during its one year of operation.

36. **Mr. Bercow:** To ask the Secretary of State for Trade and Industry if he will make a statement about corporate sponsorship for the millennium dome. [61334]

Mr. Mandelson: I refer the hon. Gentleman to the reply I gave to my hon. Friend the Member for Wirral, South, (Mr. Chapman) on 3 December 1998, *Official Report*, columns 1038–39.

37. **Mr. Grieve:** To ask the Secretary of State for Trade and Industry if he will make a statement on the number of zones planned for the millennium dome. [61336]

Mr. Mandelson: There will be 14 zones within the Millennium Dome.

Mr. Peter Ainsworth: To ask the Secretary of State for Trade and Industry (1) if he will publish the amounts budgeted to be spent on design and content within each of the zones in the Greenwich Millennium Exhibition; [61979]

(2) if he will publish the budgets for each of the zones in the Greenwich Millennium Exhibition. [61981]

Mr. Mandelson *[holding answers 1 December 1998]:* I refer the hon. Gentleman to the answer I gave my hon. Friend the Member for Great Grimsby (Mr. Mitchell) on 27 July 1998, *Official Report*, columns *82–83*.

Mr. Peter Ainsworth: To ask the Secretary of State for Trade and Industry what discussions he has had with the BBC over broadcasting rights to the Millennium Exhibition in Greenwich. [61982]

Mr. Mandelson *[holding answer 1 December 1998]:* The New Millennium Experience Company (NMEC) is in discussion with a number of broadcasters, including the BBC, over broadcasting rights to the Millennium Experience at Greenwich.

Mrs. Lait: To ask the Secretary of State for Trade and Industry what discussions he has held with representatives of the Amalgamated Engineers and Electrical Union about transportation to the Millennium Dome. [61335]

Mr. Mandelson: Transport issues are a matter for my right hon. Friend the Deputy Prime Minister and my hon. Friend the Minister for Transport in London.

Mr. McWalter: To ask the Secretary of State for Trade and Industry if there will be a celebration of Britain's contributions to political theory during the last 1000 years in the Millennium Dome. [61665]

Mr. Mandelson: I refer my hon. Friend to the answer I gave him on 5 November 1998, *Official Report*, column *623*.

Mr. Mitchell: To ask the Secretary of State for Trade and Industry what provision will be made for the sale of traditional British food at the Millennium Experience. [61625]

Mr. Mandelson: The New Millennium Experience Company's policy is to provide as wide a range of catering services as possible to meet the varied needs of visitors to the Dome.

Mr. Prior: To ask the Secretary of State for Trade and Industry what estimate he has made of the average daily number of visitors to the Millennium Dome. [61330]

Mr. Mandelson: The New Millennium Experience Company aims to attract an average daily number of 33,000 visitors.

Mr. Wyatt: To ask the Secretary of State for Trade and Industry how many expressions of interest he has received for the use of the Millennium Dome after 1 January 2001; and when he will make a decision on a short list of potential users. [61879]

Mr. Mandelson *[holding answer 1 December 1998]:* Since 1 December 1997 when I invited expressions of interest in the Dome's future use, I have received 7 proposals. A working group set up by my right hon. Friend the Deputy Prime Minister is currently looking at the best mechanism for encouraging and assessing expressions of interest, including the timetable and the criteria against which bids would be judged. No firm decisions have been made yet but it is likely that a formal competition will begin in the New Year.

Mergers

Miss McIntosh: To ask the Secretary of State for Trade and Industry if he will make a statement on his policy on mergers. [61302]

Mr. Mandelson: I shall refer cases to the Monopolies and Mergers Commission primarily on competition grounds. However, I shall continue to consider each case on its merits, in order to safeguard competition and the interests of the consumer.

Ministerial Visits

Mr. Bercow: To ask the Secretary of State for Trade and Industry on what date and for what reasons his planned trip to Brazil in November was cancelled. [61519]

Mr. Mandelson *[holding answer 30 November 1998]:* A decision to postpone my planned visit to Brazil and Argentina was taken as soon as it became clear—following the announcement by my right hon. Friend the Leader of the House regarding Prorogation on Thursday 12 November—that Trade and Industry Oral Questions would take place on 3 December.

Mr. Bercow: To ask the Secretary of State for Trade and Industry (1) what plans he has to carry out his planned visit to Brazil; [61526]

(2) if he will list his planned overseas visits. [61522]

Mr. Mandelson *[holding answer 30 November 1998]:* I have not yet finalised my overseas visits programme for next year.

Mr. Bercow: To ask the Secretary of State for Trade and Industry if he will list his planned itinerary for his cancelled trip to Brazil. [61527]

Mr. Mandelson *[holding answer 30 November 1998]:* The itinerary for this visit had not yet been finalised. It would have consisted of calls on representatives of the Brazilian Government, business and the media.

Mr. Bercow: To ask the Secretary of State for Trade and Industry (1) if he will list the expenses incurred during his trip to Brazil in 1998; [61528]

(2) if he will list the expenses incurred by the then Minister without Portfolio on his visit to Brazil; [61524]

(3) if he will publish the itinerary of the visit by the then Minister without Portfolio to Brazil in June; [61518]

(4) what issues the then Minister without Portfolio discussed with the British Council in Rio de Janeiro during his visit; [61521]

(5) if he will list the individuals met by the then Minister without Portfolio during his ministerial trip to Brazil. [61523]

Mr. Mandelson *[holding answer 30 November 1998]:* I refer the hon. Member to the answer I gave to the hon. Member for Ruislip-Northwood (Mr. Wilkinson) on 31 July 1998, *Official Report*, column 779.

Mr. Bercow: To ask the Secretary of State for Trade and Industry if he will list the itineraries for his overseas visits in the current year. [61513]

Mr. Mandelson *[holding answer 30 November 1998]:* I have no current plans to undertake any further official overseas visits this year.

Mr. Bercow: To ask the Secretary of State for Trade and Industry if he will list the *(a)* itineraries for and *(b)* expenses incurred in his visits to the United States. [61529]

Mr. Mandelson *[holding answer 30 November 1998]:* My visit to the United States from 10 September to 15 September involved meetings in New York, San Francisco, Silicon Valley and San Diego with leading edge technology and knowledge driven businesses, venture capitalists and academics.

On the expenses incurred, I refer to the reply I gave in writing to the hon. Member for Spelthorne (Mr. Wilshire), my letter dated 25 November, a copy of which has been placed in the Library.

Mr. Bercow: To ask the Secretary of State for Trade and Industry if he will list his expenses on overseas trips. [61520]

Mr. Mandelson *[holding answer 30 November 1998]:* I refer the hon. Member to the reply I gave in writing to the hon. Member for Spelthorne (Mr. Wilshire), my letter dated 25 November, a copy of which has been placed in the Library.

Mr. Bercow: To ask the Secretary of State for Trade and Industry if he will list the individuals he met during his visit to the United States. [61525]

Mr. Mandelson *[holding answer 30 November 1998]:* During my visit, I met representatives of leading edge technology businesses, venture capitalists and academics.

Ministerial Meetings

Mr. Chope: To ask the Secretary of State for Trade and Industry how many meetings he has had with *(a)* McDonald's and *(b)* Manpower since becoming Secretary of State; and if civil servants were present. [61986]

Mr. Mandelson *[holding answer 1 December 1998]:* I have had no meetings with McDonald's or Manpower since my appointment as Secretary of State.

Mr. Chope: To ask the Secretary of State for Trade and Industry who was present and what was discussed at his meeting with British Telecom on 30 October. [62003]

Mr. Mandelson *[holding answer 1 December 1998]:* The meeting with British Telecom was attended by the Chief Executive, Sir Peter Bonfield, and two others from BT, as well as officials from my Department. Strategic issues concerning the company and its future business were discussed.

Mr. Chope: To ask the Secretary of State for Trade and Industry what aspects of the Millennium Dome he discussed with Mr. S. P. Hinduja and Mr. G. P. Hinduja at his meeting on 6 October. [62203]

Mr. Mandelson: I met with S. P. Hinduja and G. P. Hinduja at my offices to discuss Indo-British relations. The Millennium Dome was not on the agenda, but was referred to in passing at the end of the meeting. There was no substantive discussion.

Mr. Chope: To ask the Secretary of State for Trade and Industry (1) how many meetings he has had with the directors or employees of Sangam Ltd. since he became the Minister responsible for the Millennium Experience; where they were held; what was the subject matter; and if civil servants were present; [62000]

(2) how many informal meetings at which Government business was discussed he has had with the directors or employees of Sangam Ltd. since 2 May 1997; and what was the subject matter; [62001]

(3) how many meetings he has had with the directors or employees of Sangam Limited since he became Secretary of State; where they were held; what was the subject matter; and if civil servants were present; [61999]

(4) on what dates he has had meetings with *(a)* Srichand P. Hinduja, Chairman and *(b)* Gopichand P. Hinduja, President of the Hinduja Group of Companies since 2 May 1997; what was the location of the meetings and the subject matter discussed; and if officials were present. [61977]

Mr. Mandelson *[holding answer 1 December 1998]:* I refer the hon. Member to the replies I gave him today in response to questions Numbers 61976 and 62203.

Mr. Chope: To ask the Secretary of State for Trade and Industry how many informal meetings he has had since 2 May 1997 at which Government business was discussed with *(a)* Srichand P. Hinduja, Chairman and *(b)* Gopichand P. Hinduja, President of the Hinduja Group of Companies. [61976]

Mr. Mandelson *[holding answer 1 December 1998]:* As Minister without Portfolio, I met the Hindujas on a number of occasions, sometimes formally and otherwise at social events. Since becoming Secretary of State for Trade and Industry, I have had one meeting with the Hindujas on 6 October.

Mr. Chope: To ask the Secretary of State for Trade and Industry how many informal meetings at which Government business was discussed he has had with British Airways. [61993]

Mr. Mandelson *[holding answer 1 December 1998]:* In my capacity as Secretary of State for Trade and Industry, I have had no meetings with British Airways. In my capacity as shareholder of the New Millennium Experience Company, I meet Bob Ayling, the Chief Executive of BA, from time to time in his capacity as Chairman of NMEC.

Mr. Bercow: To ask the Secretary of State for Trade and Industry if he will list the meetings he has held with the British Council relating to the promotion of trade and industry abroad. [61514]

Mr. Mandelson *[holding answer 30 November 1998]:* Since my appointment as Secretary of State for Trade and Industry, I have opened a new British Council English language training centre in Johannesburg on 15 September and attended the Pontignano conference, hosted by the British Council, in Italy on 19 September.

Mr. Chope: To ask the Secretary of State for Trade and Industry (1) who was present and what was discussed at his meeting with British Aerospace on 26 October; [61983]

(2) who was present and what was discussed at his meeting with British Aerospace on 7 September; [61998]

(3) how many informal meetings at which Government business was discussed he has had with British Aerospace. [61994]

Mr. Mandelson *[holding answer 1 December 1998]:* Each of these meetings with British Aerospace was attended by at least one director of British Aerospace and at least one official from my Department. On each occasion strategic issues affecting the future business of British Aerospace were discussed. I apologise to the hon. Member for the fact that my answer to him of 19 November 1998, *Official Report*, columns *882–83*, was incomplete, in that I also met British Aerospace on 3 September for a similar purpose. Beyond this, I have held no informal meetings with British aerospace since I was appointed Secretary of State for Trade and Industry.

Mr. Chope: To ask the Secretary of State for Trade and Industry (1) who was present and what was discussed at his meeting with British Aerospace on 21 October; [62004]

(2) who was present and what was discussed at his meeting with British Aerospace on 14 November. [62005]

Mr. Mandelson *[holding answer 2 December 1998]:* I refer the hon. Member to the answer I gave him today in response to his questions 61983, 61998 and 61994.

Mr. Chope: To ask the Secretary of State for Trade and Industry how many meetings he has had with the Chairman of the New Millennium Experience Company since 30 July; what was discussed; and if officials were present. [61984]

Mr. Mandelson *[holding answer 1 December 1998]:* Since 30 July, I have met the Chairman of the New Millennium Experience Company (NMEC) 4 times at the Millennium Experience Co-ordinating Group at which progress of the Millennium Experience project was discussed. I also met the Chairman at a working lunch at my office with other members of the New Millennium Experience Company Board and officials.

Ministerial Responsibilities

Mr. Chope: To ask the Secretary of State for Trade and Industry from which civil servants he has sought advice in respect of potential conflicts of interest arising from his position as Secretary of State for Trade and Industry and as the sponsoring Minister of the New Millennium Experience Company; and what advice he received. [61997]

Mr. Mandelson *[holding answer 1 December 1998]:* I refer the hon. Gentleman to the statement I issued on 6 August, copies of which were placed in the Library.

Combined Heat and Power

Mr. Barry Jones: To ask the Secretary of State for Trade and Industry if he is yet in a position to make his decision on the proposal to construct a combined heat and power generating station adjacent to the Shotton paper mill in Flintshire. [62874]

Mr. Battle: I have today granted consent under Section 36 of the Electricity Act 1989 to Shotton Combined Heat and Power Ltd.'s application for my consent to construct a 215 MW combined heat and power generating station adjacent to the Shotton paper mill in Flintshire.

I have placed a copy of the decision letter in the Library.

Ministerial E-mail Address

Mr. Brake: To ask the Secretary of State for Trade and Industry what is his e-mail address. [62554]

Mr. Mandelson: My e-mail address is "tlo.mandelson@tlo.dti.gov.uk".

Ford Motor Company

Mr. Chope: To ask the Secretary of State for Trade and Industry what is the total value of grants paid by his Department to the Ford Motor Company since 1 May 1997. [61989]

Mr. Mandelson *[holding answer 1 December 1998]:* Ford Motor Company have not received any Regional Selective Assistance (RSA) payments from this Department since 1 May 1997. However Jaguar Cars Ltd., a wholly owned subsidiary of Ford, has received two RSA payments totalling £7 million during the same period.

Electricity Industry

Dr. Cable: To ask the Secretary of State for Trade and Industry what direct representations he has made to the French Government calling for the speeding up of reciprocal changes to the French electricity market. [62220]

Mr. Battle: My officials have made representations to their French counterparts about the imbalance in electricity trade between the UK and France on two occasions, and we will continue to raise this issue with the French Government at both Ministerial and official level.

Dr. Cable: To ask the Secretary of State for Trade and Industry what plans his Department has to ensure two-way trade on the Anglo-French electricity interconnector. [62192]

Mr. Battle: The steps which the Government are considering taking in order to ensure fair trade in electricity with Europe were set out in the White Paper on the Conclusions of The Review of Energy Source for Power Generation (Cm 4071). These include reviewing interconnector trading in the context of the reform of wholesale trading arrangements and the use of the reciprocity provision in the electricity liberalisation directive. There should, however, be increasing opportunities for trade in electricity following implementation of the directive in February 1999.

Late Payment of Interest

Yvette Cooper: To ask the Secretary of State for Trade and Industry if he will make a statement on the response by business to legislation on the late payment of interest. [61307]

Mrs. Roche: Late payment has a devastating impact on Britain's small businesses. This Government are determined to improve the UK's payment culture to ensure that small businesses can thrive and prosper.

The Late Payment of Commercial Debts (Interest) Act 1998 commenced on 1 November 1998 and provides small suppliers with a statutory right to claim interest on late paid bills and transfers the cost of late payment from the supplier to the late payer.

It is too early to draw conclusions about the impact legislation has had. However, evidence from other European Countries who have introduced legislation shows that effective legislation can tackle late payment, particularly when supported by other measures.

British Libya Interest Group

Mr. Dalyell: To ask the Secretary of State for Trade and Industry if he will make a statement on his response to the latest representations of the British Libya Interest Group. [61462]

Mr. Wilson: The position of Her Majesty's Government is well known. Following recent representations from the British Libyan Business Group (BLBG), my officials will be meeting with their Chairman, Mr. Kevin Boyle, and others to listen to their concerns on 10 December 1998.

Agriculture (Producer Rights)

Mr. Harvey: To ask the Secretary of State for Trade and Industry what plans he has to require the Office of Fair Trading to review producer-wholesaler trading and the rights of producers with regards to the agricultural industry. [61937]

Dr. Howells: It is the responsibility of the Director General of Fair Trading to monitor markets and investigate allegations of anti-competitive behaviour.

He is currently carrying out an inquiry into the profitability of the major supermarkets in the grocery sector. The scope of this inquiry is a matter for him.

End of Life Vehicles (European Directive)

Helen Jackson: To ask the Secretary of State for Trade and Industry (1) when he will meet his European counterparts to discuss the European Directive on End of Life Vehicles; [61061]

(2) if he will ensure that special steel is given an exemption from the European Directive on the lead content of end of life vehicles. [61060]

Dr. Howells *[holding answer 30 November 1998]:* My right hon. Friend the Minister for the Environment will be attending the Environment Council on 21 December, and the Government understand that the Austrian Presidency is likely to put the draft End of Life Vehicles Directive on the agenda.

World Trade Organisation

Mrs. Mahon: To ask the Secretary of State for Trade and Industry in what format reports from representatives of Her Majesty's Government who are members of the United Kingdom delegation to the World Trade Organisation are lodged. [61166]

Mr. Wilson: They take the form of letters, telegrams or telephone conversations to Government Departments with an interest in the particular issue.

Mrs. Mahon: To ask the Secretary of State for Trade and Industry if the CVs of the representatives of Her Majesty's Government who are members of the United Kingdom delegation to the World Trade Organisation in Geneva are made public. [61163]

Mr. Wilson: Biographies of diplomatic staff appear in "The Diplomatic Service List" published annually by The Stationery Office. There are no rules on the provision of CVs to the public, this would be a matter for the individuals concerned.

Mrs. Mahon: To ask the Secretary of State for Trade and Industry what formal liaison takes place between the representatives of Her Majesty's Government on the United Kingdom delegations to *(a)* the World Trade Organisation in Geneva and *(b)* the European Union. [61164]

Mr. Wilson: Representatives in the two delegations liaise closely with each other and with Government Departments. When appropriate, members of the United Kingdom Delegation to the World Trade Organisation may attend formal European Union meetings.

Telephone Sales

Mr. Laurence Robertson: To ask the Secretary of State for Trade and Industry what guidelines exist regarding *(a)* telephone sales calls and *(b)* inducing residents to call high-cost telephone numbers in order to claim prizes offered through unsolicited mail (i) in the United Kingdom and (ii) from abroad; and if he will make a statement. [61503]

Dr. Howells *[holding answer 30 November 1998]:* The information requested is:

a (i) Under the Telecommunications Act 1984, UK companies using telephone marketing are subject to a class licence which contains measures aimed at limiting potential nuisance. In addition, the Telephone Preference Service (TPS) is a scheme to help residential customers reduce the number of telesales calls they receive. Residential customers can register for inclusion in a database against which companies selling via the telephone can voluntarily "clean" their mailing lists.

However, the Government are considering introducing an "opt-out" scheme for individual subscribers under the EC Telecoms Data Protection Directive as soon as is practicable in 1999. This scheme will be mandatory for companies selling by telephone.

a (ii) The EC Directive also applies to other Members States. Complaints about unsolicited telephone sales calls from abroad are extremely rare.

b (i and ii) Whether provided from the UK or abroad, mailshots encouraging residents to call high-cost lines to claim prizes are part of the Premium Rate Services (PRS) industry and are regulated by the Independent Committee for the Supervision of Standards of Telephone Information Services (ICSTIS) through a Code of Practice which covers the promotional material for and the duration of competitions and games with prizes. ICSTIS can fine service providers who breach the code and can recommend that network operators bar access to companies' services which breach the Code.

Members of the public can raise concerns about particular PRS services by telephoning ICSTIS' free complaints line on 0800 500212.

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PARLIAMENTARY DEBATES

OFFICIAL REPORT

SIXTH SERIES **VOLUME 321**

SESSION 1998–99

24th November—3rd December 1998

SCOPE OF THE INDEX, ARRANGEMENT AND ABBREVIATIONS

This index to the daily parts and weekly Hansard is derived from the House of Commons Library's Parliamentary On-Line Indexing Service (POLIS), and the subject terms used are based on those used in POLIS. There are often changes in column numbering, etc., between the daily part or weekly Hansard (which simply collects together the daily parts without revision) and the bound volume. The index for the bound volume is revised to take account of these changes, and cannot, therefore, be used in conjunction with the daily part or weekly Hansard. For these versions use the Fortnightly Index.

Scope and arrangement of the Index

Oral and Written Parliamentary Questions are indexed under subject headings and the names of Members asking and Ministers replying to them. Questions are not listed under the names of Departments replying. Departmental listings can be arrived at indirectly by looking under the names of the Minister(s) of that Department. There will, however, be headings 'Northern Ireland', 'Scotland', and 'Wales' under which one will find not only Questions answered by the Northern Ireland Office, Scottish Office, Welsh Office but also Questions about these areas of the United Kingdom which are answered by other Departments. Ministerial statements are indexed under subject headings, under 'Ministerial statements' and the names of Ministers making them and Members speaking on them. General debates are indexed under broad subject headings and under the names of all Members and Ministers taking part. Debates on legislation (Bills, Orders, Regulations etc.) are indexed under the name of the Bill, Statutory Instruments etc., under subject headings and under the names of those taking part.

Contributions by Speaker and deputies are brought together under the heading 'Speaker and deputies'. Significant rulings and statements are indicated by the sub-heading 'Rulings and statements'.

Opposition Day Debates and Estimates Day Debates are listed under those respective headings and under subject headings too.

The date of each item except Parliamentary Questions is inserted immediately before the reference.

Members' names are given in the form by which they prefer to be known and are printed in bold italics. Under their names, entries are arranged under one of the two headings *Debates, etc.* (to include interventions on statements, points of order and so on) or *Questions.*

Abbreviations

Bills 1R = first reading, 2R = second reading, Com = Committee stage, Rep = Report stage, 3R = third reading, res = resolution, amendt/amendts = amendment/amendments, * = matter taken formally, without debate.

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